Daily Report

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Cuba

Economic Situation Forces Army To Reduce

PA1606012193 Madrid EFE in Spanish 0022 GMT 16 Jun 93

[Text] Havana, 15 Jun (EFE)—The Cuban Army has been forced to reduce its forces because of "the new economic realities involving shortages," the official newspaper, GRANMA, reported on 15 June in a report on the recent military maneuvers conducted in the eastern part of the island.

The mouthpiece of the Cuban communists stated the reduction, which different sources admit, but no one has quantified, "has not weakened, but has instead revitalized military spirit and activity."

According to official reports, the maneuvers will continue in the western and central part of the island this week with the deployment of ground troops, combat planes, navy units, and shooting exercises. The population was warned "they will hear shots being fired and explosions."

The reduction of the Cuban Army, which some experts estimate to be approximately 170,000 troops, one of the largest in Latin America, was announced by Cuban Defense Minister Raul Castro in an interview granted to Mexican EL SOL newspaper in April.

"Our Army is too large and costly when compared to the country's economic development. The ABC's of all military sciences tell us this potential depends on the country's economic development," Raul Castro said after explaining the critical situation of the Cuban economy.

The minister of the Revolutionary Armed Forces said this situation has basically adversely affected combat aviation and revealed that "combat planes alone add up to 240, not to mention transport planes, transport helicopters, or support aircraft."

Castro admitted this force is the largest in Latin America, with the exception of the United States. "It was too big for this country's economy, it is too big to maintain now."

He also said the economic crisis has also adversely affected the Cuban Navy, "because these are the two most costly types of Armed Forces."

According to the defense minister, who is the second man in the Cuban hierarchy, the total value of Cuban weaponry, which was completely supplied by the now extinct USSR, is estimated at around $10 billion at "old" prices.

"We have not received any more weapons since 1990. In 1991, we received some spare parts and several tens of millions in spare parts are still pending. In 1992 and 1993, we did not receive anything," he said.

Discussion of U.S. Compensation Claims Said Possible

FL1506191293 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 93

[Text] In statements to the Cuban Chamber of Commerce's monthly journal CONTACTOS, Ernesto Melendez, minister president of the State Committee for Economic Cooperation, CECE, expressed our country's willingness to include the topic of mutual claims in connection with enterprises (?nationalized) during the sixties on the agenda of eventual negotiations to normalize relations with the United States. Melendez insisted that a solution to that effect has not been reached in the case of the U.S. companies because of the climate of aggression, blockade, and belligerence maintained by the White House.

Melendez said Cuba years ago reached, with the respective governments, satisfactory agreements for paying compensation to Spanish, Canadian, Swiss, British, and French firms, as well as firms from other nations. He stressed that the U.S. Treasury Department's dispositions prevent U.S. companies from moving in projects for investing in Cuba, despite the fact that some are interested in doing so.

Russia To Increase Military Aid, Maintain Espionage Center

PA1506233693 Mexico City NOTIMEX in Spanish 2111 GMT 15 Jun 93

[Text] Havana, 15 Jun (NOTIMEX)—Russian military sources confirmed on 15 June that Russia will considerably increase its military aid to Cuba during the next few years and will maintain its electronic espionage installations, known as "Lourdes," on the island.

General Valery Kotin, the chief of the military specialist group in Cuba, said that his country will increase military development aid to the island, which had been halted since the dissolution of the former USSR.

He confirmed that the "Lourdes" investigation center will remain, although he pointed out that the precise nature of its operations has not yet been determined under the newly signed agreements between the governments of Boris Yeltsin and Fidel Castro.

Gen. Ulises Rosales del Toro, the chief of the General Staff of the Revolutionary Armed Forces (FAR), confirmed that military cooperation between the two countries will increase during the coming years. He said that Russia will continue to be the main provider of military supplies and collaborator of the Cuban FAR. "Our forces are based on Russian weaponry, but we hope to resolve all of our problems," the first in line after the minister of the FAR stated.

Gen. Rosales del Toro and Gen. Kotin took part in an official farewell ceremony for the former USSR Mechanized Infantry Brigade, which had been stationed in the country for over 30 years.

The Cuban soldier reaffirmed that Cuba and Russia have approached new ways of cooperation that will "benefit both states and comply with the new current relations."

"Having an enemy so overblown with victory in such close proximity, and at a time when the trade blockade implemented by the United States has reached such extreme levels, Cuba has the necessary force to resist the current difficulties," he stated.

We can adapt to the new circumstances and continue developing to defend national independence, he stressed.

The chief of the FAR General Staff said that the island has managed to support its military forces with its own resources.

"The war the people are waging has allowed us to face the serious fuel and spare parts shortages in an organized way and without seriously affecting combat readiness," he said.

Cuban Army Bids Farewell To Russian Soldiers

PA1506204193 Madrid EFE in Spanish 1827 GMT 15 Jun 93

[Text] Havana, 15 Jun (EFE)—In a ceremony full of gratitude for a mission accomplished, the Cuban Army bid farewell on 15 June to the remaining 300 soldiers of a Russian Infantry Brigade that had remained on the island. The ceremony concluded with a "so long" from the Russian soldiers.

Colonel Viacheslav Ribikov, commander of the Russian brigade, stated: "We are leaving, but we are not saying goodbye. We are saying so long because we are certain that military cooperation will grow considerably."

Another officer, General Valeri Kotin, said that cooperation will not only be maintained but will grow in comparison with what it was in the past three years. He gave no further details.

Also speaking in general terms, General Ulises Rosales del Toro, Cuban chief of staff, said: "We are moving toward new forms of cooperation that are more in keeping with the current situation."

During a recent interview, Cuban Defense Minister Raul Castro said that in the past two years Cuba has received no arms supplies from its former supplier.

The infantry brigade that is leaving arrived in Cuba in 1962 during "the missile crisis." In the beginning it consisted of 2,200 men whose mission was to train the Cuban Army. Diplomatic sources have told EFE that "recently the remaining soldiers had nothing to do but wait to be picked up." The first hundreds left on 1991 after then Soviet Union President Mikhail Gorbachev unilaterally announced the troop withdrawal, outraging Cubans who rebuked the USSR for "breaking formal state commitments."

Last September, with approximately 1,500 soldiers remaining, Cuba and Russia signed an agreement that included the total dismantlement of the brigade, something that has been implemented in the past months.

In almost virtual silence and with no ceremony or farewell, groups of Russian servicemen and their relatives began returning home aboard ships that arrived for the sole purpose of taking them home.

Today's farewell ceremony, however, had the appropriate military protocol and was open to reporters. It took place in the unique Mausoleum of the Internationalist Soviet Soldier, a huge marble monument built by El Guatao people outside Havana. The mausoleum is flanked by the tombs of 50 soldiers from the former Soviet Union who died in Cuba between 1963 and 1964 due to accidents or disease.

During the farewell ceremony, the brigade chief described Cuba as "an island of liberty" and noted his "profound satisfaction and pride at having accomplished such a sacred international mission." "Cuba today," he said, "can defend its revolutionary achievements, and we would like to think our brigade has contributed to it."

In addition, General Ulises Rosales del Toro, said this "military cooperation has taken place with full respect for national sovereignty." He added, however: "We have always based our country's defense on our own strength."

Rosales del Toro recalled "the missile crisis" when the Soviet Union dismantled Soviet nuclear missiles after negotiating with the United States—leaving Cuba out—and when Gorbachev announced the withdrawal of the brigade, again without consulting Cuba.

Rosales del Toro said: "The Soviet Union's assistance was decisive. Cuba has always been aware of the moral value of this relationship and never felt ashamed of it. Indeed, Cuba proclaimed the friendship everywhere."

Now that the last remaining infantry soldiers of the brigade have gone home, only a small number of military advisers and civilian and military personnel stationed at the Lourdes electronic monitoring station on the outskirts of Havana remain in Cuba. No information on the number of personnel is available.

More on Farewell Ceremony

FL1506234293 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 93

[Text] The official farewell ceremony for the Independent Russian Motorized Infantry Brigade was held

today. A floral tribute was laid at the monument to the Soviet Internationalist Soldier.

The closing speech by Division General Ulises Rosales del Toro included an historical account of the stay in our country of former Soviet Union troops. It also highlighted the importance of strengthening our defensive capabilities as part of the military cooperation established through all these years.

Speaking of the decision to leave the physical remains of the soldiers who died on duty, Rosales said:

[Begin recording] This mausoleum, erected in honor of the sons of Lenin's fatherland, who died while helping us, will be maintained as an undying symbol of this beautiful deed, and will receive the Cuban people's permanent homage. Furthermore, the presentation of a replica of the unit's combat banner to the Revolutionary Armed Forces, so that it forms part of our historic patrimony, demonstrates confidence in the future of our relations. [end recording]

Colonel General (Valery Mirolov), deputy of the Russian Ministry of the Armed Forces [as heard]; diplomatic personnel accredited in Cuba; military attaches; and the relatives of Russian combatants were present at the ceremony. The ceremony concluded with the troops marching in review.

Robaina Rejects Agreement With 'Groups Abroad'

PA1506210393 Madrid EFE in Spanish 1735 GMT 15 Jun 93

[Text] Vienna, 15 Jun (EFE)—Cuban Foreign Minister Roberto Robaina on 15 June rejected in Vienna any possible agreement with either Jorge Mas Canosa, president of the Cuban-American Foundation, or Carlos Alberto Montaner of the Cuban Democratic Platform.

In his first trip abroad as chief of diplomacy to attend the World Conference on Human Rights, Robaina spoke with EFE in the halls of the UN offices in Vienna and said that "the groups abroad that maintain a stand of ending our system do not have any prospects."

Robaina almost placed on the same level his rejection of Montaner's "Spanish group," of which—he said—he has "far too much evidence" that it handles shady dealings similar to the group in Miami led by Mas Canosa.

The new chief of Fidel Castro's diplomacy, however, pointed out that the Cuban community abroad "is not consistent" and there are "important representatives of the community with which there is communication and they are in favor of lifting the U.S. blockade against Cuba."

With those representatives, he added, a dialogue will always be possible, although they maintain different ideological positions. This, however, "is not the case with the reactionaries."

Robaina pointed out that the Cuban economy is opening up despite the blockade and that now there are about 100 "mixed associations" with foreign enterprises in activities such as nickel, petroleum, and citrus fruits. In addition, there are associations with no more than 10 of the best known enterprises in the field of tourism, "but I will not name them because the United States might take reprisals or blackmail" them for not complying with the boycott.

Asked about the possibility of Cuba moving toward a multiparty system, he pointed out that "there are more reasons now than ever before for maintaining the current system on our island, particularly in view of the harassment situation from abroad, which demands unity."

The Cuban foreign minister noted that "when the threat from abroad ends, we will have to reconsider many things in Cuba," adding, however, that "we do not recommend the single party system to others."

The Cuban minister denied that Cuba—that was described as "the brothel of the Americas"—is turning into a new brothel with the visible increase of young prostitutes—the notorious jineteros [female or male prostitutes who work with tourists]—particularly in the areas close to the hotels for foreign tourists.

"The current situation has no comparison in figures, neighborhoods, or in the exploitation" to the era prior to Fidel Castro's revolution. "For four years a large part of the world has been waiting for the collapse of Cuba and blaming the deterioration on the internal situation to the revolution and not on the aggressor or the blockade imposed from abroad," he pointed out.

After noting that "we have already passed the worse stage and proven our own forces," Robaina evaded answering a question if Fidel Castro is the only one who supports the regime. Robaina said that "5.7 million Cubans are under 30 and one of our top priority industries—the chemical pharmaceutical industry—is in the hands of the young."

Concerning the new U.S. administration of Democrat Bill Clinton, Robaina pointed out as positive the fact "there is no aggressive language, as in the previous administrations," adding that: "We know that we are not considered a priority issue in U.S. foreign policy and we prefer they take their time."

Rejects Human Rights Rapporteur

PA1506215393 Madrid EFE in Spanish 1907 GMT 15 Jun 93

[Report by Joaquin Rabago]

[Text] Vienna, 15 Jun (EFE)—Cuban Foreign Minister Roberto Robaina denied in Vienna on 15 June that his government's rejection of a human rights rapporteur is due to the Castro regime's "fear" of being sent to the defendant's seat for noncompliance.

"Our position has nothing to do with fear or with the rapporteur himself, but with the injustice in the first place," according to Robaina, who said that Cuba "is willing to receive hundreds of rapporteurs, but not under the false assumption that we are flagrant and massive human rights violators."

In his first trip abroad to participate in the World Human Rights Conference of the United Nations on 16 June, Robaina told EFE during a recess that "the rules of the game are imposed by the powerful," something Cuba cannot accept.

Asked why Cuba is alone with Mexico and Colombia among the Latin American countries that are currently opposed to the creation of a High Commissioner's Office and an International Human Rights Court, Robaina criticized the other governments of the continent.

"The position of some Latin Americans may be explained by the fact that their governments are so repressed that they cherish hopes that the solution to their problems will come from above," something that will never happen if the new human rights institutions proposed by the Westerners are created, he said.

Asked why Cuba disagreed with the universal and indivisible nature of human rights upheld by Amnesty International, as well as by UN Secretary General Butrus Butrus-Ghali, Robaina said that in Ghali's inaugural speech delivered on 14 June no reference to "development" was made.

"We must be concerned about human rights as a whole and not divide the issue in an attempt to establish priorities that can allow forms of interference in the sovereignty, development, and self-determination" of the countries, Robaina said using an argument debated by the Western countries.

The Cuban foreign minister said his country is not opposed in principle to the discussion of a High Commissioner for Human Rights proposed by the United States and the EEC, but not one who would be appointed or with links to a Security Council under "the control of the powerful."

Robaina added he saw "dangers" in the other solutions being studied at the Human Rights Conference: That the high commissioner should be dependent on the UN General Assembly or on the existence of several commissioners from each region.

As for the Cuban internal situation, Robaina said the island's economy is opening up despite the blockade. He added that there already are 100 "mixed associations" with foreign businesses in areas such as nickel, petroleum, citrus fruits, and tourism, which he refused to mention by name because the United States could take reprisal against them because they are violating the boycott.

Robaina recognized the existence of problems, such as the growth of the black market and an increase in prostitution near hotel areas where foreigners are lodged and he said they "are a heavy social and political cost."

Asked about the anti-Castro groups in Miami and Spain, he said his government will never be able to reach an understanding with "reactionaries," such as the Cuban-American Foundation led by Jorge Mas Canosa (Miami) or the Cuban Democratic Platform led by Carlos Alberto Montaner.

He said, however, "the Cuban community abroad is not homogeneous" and even though there are those "who are trying to end our system," there are others who favor a lifting of the U.S. blockade against Cuba. We have different ideological positions than these groups, but a "dialogue is always possible."

The Cuban foreign minister rejected, however, the possibility of installing a multiparty system in Cuba as long as "foreign aggressiveness" continues and he added that "when foreign threats end, we will have to reconsider many things in Cuba."

Assault of Anti-Castro Spokesman Follows Robaina Speech

FL1606004093 Bridgetown CANA in English 2315 GMT 15 Jun 93

[By Ulric Hetsberger]

[Text] Vienna, Austria, June 15, CANA—The universal chorus to protect the human right to dissent ran into trouble Tuesday during the World Human Rights Conference here, after punches were thrown at a specially-convened meeting addressed by Cuban Foreign Minister Roberto Robaina.

The Cuban delegation leader had just ended his presentation, largely an attack on the 34-year United States economic embargo. Over 100 Non-Governmental Organisations, NGO's, most sympathetic to the Cuban suffering, but some with a directly opposing view, had arranged the meeting.

But trouble erupted after Michael Wickmann, spokesman for the International Society for Human Rights, took the microphone and began a sustained verbal attack on Cuban President Fidel Castro, who he accused of keeping behind bars 34-year-old Rodolfo Gonzales, a human rights activist, for committing "enemy propaganda."

The German was mobbed and assaulted.

Wickmann told CANA his protest had "nothing to do" with the policy of the United States.

"I am a representative of the International Society for Human Rights, an NGO... And I just wanted to draw attention to the fate of a political prisoner."

Earlier, Foreign Minister Robaina declared Cuba had sustained its dignity throughout the years of the economic embargo applied by the U.S. Praising NGO's for their support for Havana, Robaina to resounding applause, pledged Cuba's intention to "defend what you discussed here with all our strength."

And speaking shortly after the half-hour interruption, head of Cuba's National Union of Jurists, Junio Fernande Bults, described the U.S. as a great empire bent on "stopping cultural, spiritual, and scientific relations with the Cuban people." According to him, Washington's stance amounts to "the most flagrant violation of human rights in all the world."

Coordinator of the regional human rights network, Caribbean Rights, Wendy Singh, who attended the meeting, told CANA what happened was needless and only "reaffirms what Caribbean Rights has been saying all along. It is necessary to lift the economic blockade against Cuba, as this is affecting the fundamental rights of the Cuban people." She also stressed that Havana must also free political prisoners.

"Just recently, one of them was freed, and Caribbean Rights was very happy to announce this at its recently-held annual general meeting," she said. The human rights coordinator also feared vibrant statements, of the sort witnessed Tuesday, may continue "until the economic blockade is lifted".

Robaina Comments on Speech, Attack

FL1606020593 Havana Radio Rebelde Network in Spanish 2300 GMT 15 Jun 93

[Interview with Foreign Minister Roberto Robaina by Orlando Contreras on the "Exclusivo" program—live]

[Text] [Contreras] Friends, we are already in contact with Vienna, Austria. We have Cuban Foreign Minister Roberto Robaina on the phone. We hope he continues to reap success at the head of our delegation. Good evening, Mr. Minister. I believe it is already Wednesday for you.

[Robaina] Yes, good evening Contreras.

[Contreras] Very briefly, the question is: I know there was a rally in rejection of the Torricelli Law, that agitators tried to interrupt it, but were repelled by the large number of demonstrators and spectators. Furthermore, we have received information that you spoke. Could you tell us what happened and the essence of your speech.

[Robaina] Contreras, many protests have been seen here and there are many things to say about the things that are happening. In the first place, it was arranged by the nongovernmental organizations. Not by Cuban nongovernmental organizations, but by organizations that have expressed their solidarity with Cuba and their rejection of the blockade. Therefore, we were invited to participate. We knew beforehand that there were agitators who wanted to disrupt the activity, and since we have been taught not to fear these manifestations, and were conscious of provocations that could occur, we decided to be there so we could counteract them directly.

We attended, precisely to honor this gesture, to support the position of the nongovernmental organizations, and to explain how, at a time like this amid great difficulties, we can overcome this, thanks to the will of our people. There was an attempt... [pauses] We spoke. The incident took place after we had finished speaking. There was an attempt to create problems. If there is something that encourages us, it is that it was not necessary for the Cubans to get involved. It was Latin American brothers. But much more importantly, most of the defense was carried out by representatives of the U.S., people who were in that demonstration. Evidently, it became not only a reaffirmation of a condemnation of the blockade, but an expression of solidarity with the cause of a people and this, of course, has been very encouraging for all.

[Contreras] Minister, 48 hours have gone by since the beginning of the conference on human rights. What would be your evaluation of these past 48 hours of work?

[Robaina] Contreras, we believe the main evaluation is that, above all, once again, we have seen the arrogant way in which the North tries to impose its ideas. I believe that, for the satisfaction of all, there has been a rejection, that undoubtedly they cannot continue to debate based on these unfair game rules, just as we had warned from Cuba. Everytime, there are more differences because of the North's attempts to exploit the South. I believe that many voices have arisen. In any case, our voices were heard in the bilateral meetings, and tomorrow we will make our voice heard in the plenary session. But, [words indistinct] a lot. I believe that if the conference does not conclude successfully, it is not because... [pauses] It would be mainly so that what the North wants does not happen. In my opinion, if it ends that way we will have won the fight.

[Contreras] I understand that the rich countries are insisting on the appointment of a high commissioner on human rights, an issue being rejected by the majority of the Third World Countries. Could you confirm this?

[Robaina] Yes, this is an issue that has been debated very intensely—the appointment of a high commissioner, the creation of an international court, and giving authority to a supranational human rights structure that operates in a style similar to that of the Security Council. We have our own opinions on this. I believe we have many reasons to condemn this because it could result in very dangerous decisions. This could open the way for new forms of interventionism which I believe we ought to condemn with all our might. This, of course, is today rejected by the poor and it has, of course, the support of the powerful. I believe this is what we are now defending very strongly.

[Contreras] Thank you very much for your brief words only a few hours before your eight-minute speech at the plenary of the World Conference on Human Rights.

[Robaina] Thank you. Greetings. We will do everything in our power and more to properly represent the people the way they deserve.

Military Exercises Consider 'New Economic Realities'

PA1606020593 Havana Radio Havana Cuba in Spanish 0000 GMT 16 Jun 93

[Text] The Armies of the central and western regions of Cuba began three days of military exercises on 15 June. The exercises, which are included in the adaptation of the country's new economic realities, consider the fact that the United States still maintains a hostile stand toward the island.

The maneuvers, which will continue until 18 June, will include the deployment of ground troops, air combat flights, navigation of Navy units, and test firing.

Lebanese Health Minister on Collaboration Prospects

FL1506150693 Havana Radio Progreso Network in Spanish 1100 GMT 15 Jun 93

[Text] Lebanese Public Health Minister Marwan Hamadi affirmed that the prospect of collaboration between Cuba and Lebanon in the field of medicine and pharmaceutical products is good. He said that a high-level health official is currently exploring possibilities.

The topic was reviewed during the recent visit to Beirut of Mario Rodriguez, Cuban foreign relations vice minister, who met with high-level government officials and financial and business representatives.

Minister Hamadi announced an invitation to visit Cuba in September or October, when he could sign a health trade agreement. Hamadi said his government does not feel obliged to respect the Torricelli Law, which tries to force third-party countries to cut their economic and trade ties with Cuba in order to enforce the blockade Washington has imposed on Cuba for 30 years.

The Lebanese health minister recalled that Cuba has traditionally supported Lebanon in the health field and that Havana's policy is to support the more just Arab causes.

Delegation Attends Pyongyang Information Conference

FL1206181693 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Jun 93

[Text] Today a Cuban delegation arrived in Pyongyang to participate in the fourth conference of information ministers of member countries of the Nonaligned Movement, which will begin on 15 June. The Cuban delegation is headed by Victor Manuel Gonzalez, member of the Central Committee and vice chief of the Ideological Department of the Communist Party of Cuba. The meeting will run from 15 to 18 June and will discuss the problems of establishing a new international order of information and communication, among other topics.

Castro Sends Message to Conference

FL1506230393 Havana Radio Reloj Network in Spanish 1932 GMT 15 Jun 93

[Text] President Fidel Castro warned against the efforts of New World Order powers to force the members of the nonaligned movement to consent to political, cultural, and information models foreign to their realities and needs. Fidel affirmed in his message to the Fourth Conference of Information Ministers of the Nonaligned Movement in Pyongyang, DPRK, that these models would only serve to divide and disarm our peoples before the great hegemonic blocs that today threaten recolonization. Fidel's message was read at the meeting which will last until 18 June at the Congress Center in (Mansung).

The 66 participating delegations also listened to a letter sent by the president of the Nonaligned Movement, Indonesian President Soeharto, in which he stressed the need to establish a new world order regarding information.

Balaguer: Media's 'Main Task' To Defend Revolution

FL1506232093 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 93

[Text] The Cuban Journalists Union [UPEC] will be holding its sixth congress sometime during the second half of 1993. Politburo member Jose Ramon Balaguer commented on the role of the press under Cuba's current conditions.

[Begin recording] I think the journalists' main task, like that of the entire population, is to defend the Revolution. Their task is to capably defend the Revolution through their intelligence, their creativity, their opinions, and their judgments. I also think journalists and the mass media, both radio and television—and even the written press, despite the paper shortage and the reduction in the number of issues printed—play a major role in defending the Revolution, but defending the Revolution without dogma.

I mean defending the Revolution through valid arguments, through reasoning; expressing ideas to our people—ideas capable of making them understand, really comprehend, the period we are passing through, the real possibility we have of confronting and pulling through this situation; planting it in our people's heads—but because things are truly that way, not because we are inventing anything. Because that is the way things really are. Imprinting the permanent, optimistic idea that we are a capable people, a people capable of defending... [pauses] to defend these things and prevent them from disappearing. [end recording]

That was Jose Ramon Balaguer Cabrera, a member of the Politburo of the Communist Party of Cuba, with ideas on the role of Cuba's mass media and journalists in connection with the this year's Sixth UPEC Congress.

Country Joins Caribbean Broadcasting Union

FL1506234493 Havana Radio Reloj Network in Spanish 1956 GMT 15 Jun 93

[Text] On 15 June, Cuba becomes part of the Caribbean Broadcasting Union [CBU], a system of daily news exchange by satellite, which up to now included only Barbados, Trinidad, Jamaica, and Curacao. The CBU uses a geostationary satellite. Cuba will be represented by Cuba Vision International of the Cuban Institute of Radio and Television.

Sharon Marshall, CBU information coordinator, stated in Bridgetown, Barbados, that Cuba is the first non-English-speaking country to join the group, although it will use English in its broadcasts. Marshall described the event as an opening by Havana to its English-speaking neighbors, adding that the first three months of Cuba's participation in the system will be a testing period.

* Commentary Praises Freedom of Press

93CA0131A Havana TRABAJADORES in Spanish 3 May 93 p 12

[Commentary by Julio Garcia Luis]

[Text] Like every good idea, UNESCO's declaration of 3 May as Freedom of the Press Day should not remain just a statement, perhaps being officially marked in a number of countries.

All reporters in the world, of course, agree that our profession needs support and protection. But the phrase "a free, pluralistic, and independent press is an essential element in any democratic society," to which nobody, as far as I know, has objected, calls to mind the story of the blind men's description of the elephant in Marti's story, "A Trip to the Land of the Annamites [Vietnamese]."

The discussion of the precise meaning of this phrase needs to be deepened and clarified; otherwise, it might remain simply rhetoric. (Free in respect to what? Pluralistic in what sense? Independent of whom?)

Even worse, that definition, drafted at a meeting in Windhoek, Namibia in 1991, and adopted that same year by UNESCO's member states, would leave it in a bureaucratic limbo, applicable only to the monocentrist order that some are now attempting to impose on the world. And that would be a stranglehold. It would be used to sanctify the system which between 1970 and 1992 murdered 360 Latin American journalists, and beat, jailed, tortured, or intimidated thousands of others in the region. This is a system that is converting Africa into a field of desolation, where the press is being eliminated; a system that is monopolizing and transforming information and communication into a tool of political alienation and denationalization; a system, finally, which in its home *par excellence*, that is, of Carl Bernstein, the well-known WASHINGTON POST reporter who investigated the Watergate scandal, has given rise to an "idiotic culture."

The strange thing is that the press in that system has never been less free, has never had more narrowly circumscribed limits for its apparent pluralism, nor has it ever depended so much on economic and political power or provided fewer openings for those left stranded outside the system, who are—a minor detail—the majority of society.

In the end, every country has the style of press given it by its history, and it makes no sense to get into doctrinaire disputes. What I want to emphasize is that Cuba may today hold its head high and take a healthy pride in being one of the countries in the world that has, in real terms, made most effective the right of the vast majority of its citizens, and not of just a minority political class or an economic oligarchy, to obtain information and to exercise freedom of expression.

This is a living freedom, and not just a constitutional phrase. We have gone beyond that. This is a right based not upon declarations, but upon literacy and universal education, on a press system that—despite our current shortages—covers the entire country, on electrification and the presence of radios and televisions in virtually every household, and perhaps the most important factor, on the identification of the interests of the individual and of society. In two words it is solidarity and participation.

Unlimited freedom? No. That does not exist in any country. And certainly not in an island that is blockaded, under assault, and hounded by a powerful adversary. Nor is it perfect.

This freedom of the press has already produced unprecedented democratization, as it has freed the media from mercantilism, from the dominion of elites and corruption. It may improve still further and give us a press that continues to grow more free, more Cuban, that expresses with full pluralism the thoughts of all patriots and which fulfills its noble social mission with independence and seriousness, as it is part of the revolution.

Roundup of Economic Activity Reported 3 - 11 Jun

FL1106224993

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 3 June and 11 June.

Radio Rebelde at 1700 GMT on 3 June reports that recent rains caused an agricultural loss in Santiago de Cuba Province estimated at 3 million pesos. Central Committee official Tomas Pena adds that this loss includes 77.9 caballerias damaged, mainly plantain

fields in Contramaestre and Palma Soriano Municipalities, over 16 caballerias of yucca totally or partially flooded, and 67 animals. In Santiago de Cuba and other municipalities, approximatley 6,000 quintals of fallen mangos are being harvested.

Radio Progreso at 1100 GMT on 10 June reports that in Moa, Holguin, technological improvements in the nickel industry have permitted a decrease in the fuel consumed and an increase in efficiency in the extraction of mineral concentrate for export. The use of hot gases from reduction furnaces in the Comandante Che Guevara plant dryers saves 33,000 tons of fuel per year.

Progreso also reports that, in comparison with the previous period, the enterprise Cubatur achieved a 20-percent increase in visitors from January to May. It was confirmed that at the recent tourism convention held in Varadero, Cubatur contracted for more than 320,000 tourists for the rest of this year and to April of 1994. With completion of the first phase of the Cuatro Vientos Hotel, the lodgings potential of Santa Lucia Beach in northern Camaguey Province has increased by 900 rooms.

Progreso reports the beginning of operations of an experimental henequen juice plant with a capacity of 30,000 liters per day that is to supply Havana dry-cleaning enterprises. The results from both technical and quality points of view are good.

Radio Reloj at 1940 GMT on 10 June reports that the Havana Province carrot harvest, which will conclude this month with 350,000 quintals harvested, is 70,000 quintals below estimates. Despite its being higher than the 1991 harvest, the average yield does not surpass 2,500 quintals per caballeria.

Radio Rebelde at 1700 GMT on 10 June reports that 28 sugar mills are still grinding sugarcane. Present sugar industry priorities are plowing, weeding, fertilizing, and planting 40,000 caballerias of cane. Some 8,000 caballerias are being plowed by tractors and oxen teams. The industry has approximately 30,000 herbicide sprayers and 30,000 weeding machines. May and June are key months for this task, which has already been affected by the weather. The report adds that, to guarantee a good harvest next year, Cuba must have 100,000 caballerias of sugarcane weeded by the end of June.

Radio Rebelde also reports that the Government of Cape Verde and Cuban residing in that country donated four tons of food products which arrived today in Havana aboard a Cuban fishing boat. The donation includes 210 boxes of canned goods and 24 boxes of powdered milk. Approximately 205 tons of fish were also transported aboard the fishing vessel.

Radio Rebelde reports that 17 bags of medicine, valued at $45,000 and donated by the Spanish Government and the Spanish Agency of Cooperation headquartered in Havana, were given to the Calixto Garcia Hospital of Havana City by Spanish Ambassador to Cuba Jose Antonio Sanjil Agustin.

Radio Rebelde at 1700 GMT on 11 June reports that Chilean solidarity organizations presented Council of State Vice President Carlos Lage with five tons of aid on this final day of Lage's visit to Chile.

Radio Reloj at 1954 GMT on 11 June reports that authorities from Cuba and Medellin, Colombia, signed several sports and health cooperation agreements. The agreements were signed by Omar Morales, Cuban Consul General to Colombia, and Medellin City Mayor Luis Ramos. Morales pointed out that the Medellin City government and the Colombian Public Health Ministry have purchased Cuban produced vaccines and medicines.

Roundup of Politburo Members Activities 4 - 11 Jun

FL1206000093

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 4 June and 11 Jun.

Radio Rebelde at 2300 GMT on 4 June reports that Ricardo Alarcon attended the ceremony marking the 30th anniversary of the Sugarcane By-Products Institute where outstanding enterprises and workers were recognized by receiving the Jesus Suarez (Goyur) Award.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 5 June report that Esteban Lazo and Maria de los Angeles Garcia attended the opening ceremony of the 13th Caribbean Culture Festival. Concomitantly, the Expo-Caribe 93 fair also opened at the Heredia Theater.

Radio Reloj at 1409 GMT on 5 June reports that Ricardo Alarcon praised the workers of the Cuban Institute for Sugar Byproducts Research during a ceremony marking the 30th anniversary of this center.

Radio Rebelde at 0900 GMT on 7 June reports that Nelson Torres Perez, who is also first secretary of the Communist Party of Cuba in Cienfuegos Province, awarded the National Vanguard banner to workers of the Carlos Manuel de Cespedes Thermoelectric Plant, who won the award for the 15th consecutive year.

Radio Progreso at 1100 GMT on 8 June reports that Candido Palmero attended a Havana Province follow-up [de chequeo] meeting of the National Association of Innovators and Efficiency Experts.

Radio Rebelde at 2300 GMT on 7 June reports that the Revolutionary Armed Forces [FAR] will be mobilizing soldiers to Havana to help overcome delays in agricultural tasks. During June, July, and August, the FAR will send 3,000 soldiers, mostly cadets from military schools, to help with this task. Candido Palmero highlighted the

significance of the operation. He added that he is confident they will be of great help to the province.

Radio Reloj at 1930 GMT on 8 June reports that Esteban Lazo Hernandez met with lawyers of Santiago de Cuba Province. He highlighted the important role they play during the special period.

Radio Rebelde at 2300 GMT on 8 June reports that the FIART-93 art fair began in Havana City Province. The report adds that Jorge Lezcano Perez attended the inauguration. He noted the importance of this industry and the possibilities it has of generating income for the country. He also noted the quality of the products presented at the fair.

Radio Rebelde Network at 2300 GMT on 8 June reports that the 1- year-old "Gold Hands" experts movement of the Revolutionary Armed Forces held its first assessment meeting. Ulises Rosales del Toro and Pedro Miret Prieto attended the meeting. Many experts were honored during the ceremony for their dedication in the training of the soldiers. Rosales underscored the importance of their role during the special period and the need to improve the training of the soldiers.

Radio Rebelde at 0900 GMT on 9 June reports that Esteban Lazo has held a fraternal meeting with Santiago de Cuba lawyers on the occasion of the celebration of Legal Sphere Workers Day. Lazo and Hart presented certificates to outstanding workers and organizations. They also received a donation of over 14,100 pesos from Santiago de Cuba lawyers to be used to finance the Territorial Troops Militia.

Radio Rebelde at 1700 GMT on 9 June reports that Pedro Ross and the Cuban Workers Federation delegation accompanying him have met with Mexican reporters and labor and socialist leaders to promote solidarity with Cuba.

Radio Rebelde at 2329 GMT on 10 June reports that Jose Ramon Balaguer and Esteban Lazo participated in a Santiago de Cuba provincial meeting of presidents of the people's councils. The first Santiago de Cuba Provincial Assembly will be held on 12 June.

Radio Rebelde at 1700 GMT on 11 June reports that Jose Ramon Balaguer Cabrera is attending a National Radio Programing Council meeting in Bayamo, Granma Province.

* FAR Contribution to Tomato Harvest Detailed

93CA0131C Havana GRANMA in Spanish 6 May 93 p 3

[Article by Manolo Rodriguez Salas]

[Text] Pinar del Rio—The results of the participation by members of the FAR [Revolutionary Armed Forces] in the tomato harvest at the Los Palacios rice complex were analyzed in a meeting at MINFAR [Ministry of the Revolutionary Armed Forces] headquarters, chaired by Major General Ulises Rosales del Toro, a member of the Politburo, first deputy to the minister of the FAR, and his chief of staff.

Participating in the session were Major General Leopoldo Cintra Frias, also a Politburo member and head of the Western Army; Fidel Ramos Perera, first secretary of the party in Pinar del Rio, and Jose Marrero Camacho, president of the People's Government provincial assembly, both of whom are members of the Central Committee; Carlos Perez, minister of agriculture; directors of the Pinar del Rio complex, and FAR officers.

The reports presented by Brigadier General Ramon Valle Lazo, head of the 40th Anniversary of the Moncada Assault group, and by Orlando Gutierrez, director of the Pinar del Rio complex, concentrated on subjective factors related to the 475,000 quintals of tomatoes harvested by the end of March, the period analyzed. This amount is very far from the initial goal of 1 million quintals set for this program during the season just past.

Other factors cited were fuel and lubricant shortages in certain phases, which delayed soil preparation, and this was combined with irregular rainfall and high temperatures for the season, which also hurt production. Because of rain, 128 "caballerias" [1,343 acres] were lost of the slightly over 300 that the complex had planted.

Between 4 December and 27 March the FAR group took part in this agricultural work, providing an average of 1,590 men per day; their initial commitment had been 1,500. They achieved 91 percent of their agricultural goal and ended the period with a 270 percent rating.

Including the efforts of the EJT [Youth Labor Army] units that work in this complex on a permanent basis, the FAR harvested 81 percent of this year's tomato crop at the Pinar del Rio complex.

These forces also provided an example of service and enthusiasm to the thousands of Pinar del Rio citizens who, mobilized to work for periods of two weeks and one month, also helped with the tomato harvest.

A shortage of funds, a lack of agricultural tools for manual labor, and broken equipment reduced the man-hours worked.

Better organization and planning of daily work schedules are needed.

The tomato crop was the group's major job this year, but they also took part in agricultural work for beans, potatoes, etc., while helping to repair farm equipment.

In the "emulation" program, it was learned that the General Maximo Gomez FAR Academy and students from the Camilo Cienfuegos School in Pinar del Rio and Guanabacoa had the top work ratings. The emulation system needs to be improved, as the MINAGRI [Ministry of Agriculture] standards do not allow those who do the best work to be the best compensated.

At the end of this phase, FAR civilian workers also had some of the best work records compared with the other volunteer forces mobilized, including regular workers, with a 211 percent rating. One particular case should be mentioned: worker Blanca Nieves Cruz Rivera from the Camilo Cienfuegos Military School in Pinar de Rio remained on the campaign for three full months and ended with a 400 percent rating, setting a record of 80 cases of tomatoes harvested in one day.

Continuing to improve agricultural working conditions was discussed in this analysis, along with creating the infrastructure the farms need.

Fidel Ramos expressed the appreciation of the province for the decisive participation of the FAR in the province's food production program. This assistance is not limited just to tomatoes in the Los Palacios complex, but also covers, along with the EJT's work, the production of coffee, tobacco, and the sugarcane harvest.

Carlos Perez spoke of the complexity entailed in planting tomatoes in ricefields, as rice cultivation saturates those areas and they retain excessive moisture. He noted that extensive tomato planting is needed for the consumption of people in Havana and Pinar del Rio and to supply the canning industry.

Brigadier General Ramon Valle Lazo gave Major General Ulises Rosales del Toro a check in the amount of 2,129,955 pesos and 20 centavos, the salary the group received for its work in the tomato harvest; that money goes into the national defense budget.

In his concluding remarks, Major General Ulises Rosales del Toro said that the FAR's participation in farm work, in addition to supporting a strategic program of the revolution, provides an opportunity to train future officers, while bringing them closer to production work.

He said that aside from the production results, some things need to be reorganized or improved, such as prior checking by the MINFAR of living and working conditions and supporting improvements in these conditions, to the extent of its capability, and improving emulation among units.

He noted the need to improve the health care system, to boost the skills of camp and small unit leaders in directing different types of work, and to continue to improve food, living conditions, and recreation for the troops.

He cited the example of the Youth Labor Army which, with 46 percent of this year's planned work force, exceeded its assigned task. He recommended concentrating not so much on quantitative aspects of the troops, but on achieving what the Los Palacios complex needs from the FAR.

Finally, the general expressed his appreciation to the commanders, officers, noncommissioned officers, sergeants, soldiers, cadets, students, civilian FAR employees, workers and leaders of the Pinar del Rio complex, and other participants for the excellent demonstration they have given of how production problems can be solved, thereby converting this field into a favorable terrain for more complete training of the troops.

* Fishing Fleet Experiences Good Year

93CA0131B Havana GRANMA in Spanish 1 May 93 p 3

[Article by Isabel Morales]

[Text] Shark fins, teeth, beaks, fish roe, and large fish heads now occupy space in the holds of Tuna Fishing Fleet ships. As with other productive activities, the use of byproducts has expanded, and the interest shown by crewmembers is playing a major role.

Justo Coll, director of the fleet, explains that because of his fishermen's perseverance, last year not only did they meet the bonito catch goal—bonito is an important export item—but they also had a substantial increase in almost all production indicators. This is quite a feat, given the material difficulties and the fact that they are working with barely 30 percent of the resources they need.

He takes special satisfaction in discussing the byproducts harvested; that is because in this case the increases were not brought about by wage incentives, but by political work and the understanding that each of these items makes a contribution to Cuba's foreign currency.

Shark fin, for example, sells for a very good international price. Dried shark fin sells for about $4,000 per ton, adds Coll. Asian tradition attributes aphrodisiac properties to it and other qualities that make it highly valued in Asian cuisine. The same is true of swordfish and tuna eggs.

The teeth recovered, he notes, are used commercially and by local industries for crafts, as are the beaks of species like needlefish, "castero" [English name unknown], and swordfish. "When one of our ships collects over $100,000 in byproducts, that practically covers its fuel costs."

Leading Roles

In the view of the fleet directors, one of their major achievements has been involving crewmembers in ship repairs. They have been able to keep fishing boats afloat and working for over 28 years.

At the present time relatively few repairs are made abroad. The rest are done in Cuba using the resources available, with the cooperation of various factories.

Countless innovations have been introduced to keep complex equipment in fishing ships working, and many improvements have been made that now save Cuba foreign currency.

The participation of the fleet collective in the nation's major programs is not a matter of "paper" participation. From January to December there are tuna fishermen working in agriculture in Havana Province; they also

repair houses in Tarara, build offices for family physicians, and transport agricultural products.

To summarize, the Tuna Fishing Fleet had a good year in 1992, and it is well on its way toward an even better 1993.

Correction to Commentary Reviews Lage Visit to Chile

PA1406202093

The following correction pertains to the item headlined "Commentary Reviews Visit to Chile by Carlos Lage," published in the 14 June Latin America Daily Report on pages 5 and 6:

Page 5, column two, last paragraph, first sentence, make read: ...for the ruling Coalition of Parties for Democracy in the presidential.... (correcting name, deleting editorial note, deleting extraneous word)

Page 6, column one, second paragraph, only sentence, make read: ...including Secretary General Volodia Teitelboim. [new graf]

Observers cannot.... (correcting name)

The Bahamas

Official Accuses Opposition of Destabilization Effort

FL1206163493 Bridgetown CANA in English 1416 GMT 12 Jun 93

[Text] Nassau, Bahamas, June 12, CANA—The Bahamas' attorney general, Orville Turnquest, has accused opposition leader and former prime minister Sir Lynden Pindling, of trying to "destabilise" the government and the financial sector.

Turnquest was referring to a claim Sir Lynden Made in the House of Assembly this week that the United States is seeking to penetrate banking secrecy laws. The charge, Turnquest said, was "wicked" and "untrue."

Sir Lynden told the House that the United States government had approved the use of Internal Revenue Service (IRS) "sting" operations against non-U.S. banks in the Bahamas.

Turnquest branded Sir Lynden's statement political, reckless, irresponsible, and harmful to the Bahamas. It demonstrated that Sir Lynden was still "in shock" from the defeat of his party in the general election last August, he said.

Caribbean Rights 'Deplores' Round-up of Haitians

FL1206174493 Bridgetown CANA in English 1622 GMT 12 Jun 93

[Text] Bridgetown, Barbados, June 12, CANA—The Barbados-based human rights organisation, Caribbean Rights, said on Saturday it deplored the Bahamas Government's "round-up" of more than 400 Haitians, regarded as "illegal immigrants."

"The latest directive by your minister of public safety and immigration, Mr. Arlington Butler, for the police to launch raids that led to the arrest of over four hundred Haitians as "illegal immigrants," among them children born to Haitian parents in the Bahamas, is most deplorable."

The organisation's protest note has been copied to, among others, the current chairman of Caricom, Prime Minister Patrick Manning of Trinidad and Tobago; Caricom secretary-general Edwin Carrington; Haiti's Washington-based ambassador Jean Casimir; the World Council of Churches; the Caribbean Conference of Churches; the National Coalition for Haitian Refugees; and the Haitian Ecumenical Centre for Human Rights.

Caribbean Rights said the people and government of The Bahamas "ought to be very familiar with the political crisis, the reign of terror, gross human rights violations, and sheer misery in the struggle for surival in Haiti."

These factors, said the human rights organisation, have combined to force thousands of Haitians to flee their homeland—mainly to the USA, the neighbouring Dominican Republic, to Puerto Rico, and The Bahamas, where hundreds of them have turned up.

Caribbean Rights, in cooperation with other human rights bodies, recently concluded a "refugee mission" to The Bahamas and has promised to make available to Prime Minister Ingrahama and other governments of Caricom the findings of its report which should soon be ready for circulation.

"To say the least," said Caribbean Rights, the most recent raid against Haitians, "is a strange development by your government in the midst of calls by Caricom governments, including your own administration, for the restoration of democracy in Haiti, an end to systematic human rights violations, and for fair and humane treatment of Haitian refugees."

It told Prime Minister Ingraham it hopes that his government "will take immediate steps to end the injustices, the victimisation and discrimination against the Haitians being categorised as "illegal immigrants...."

Caribbean Rights said it had noted the contention of its affiliate, the Grand Bahama Human Rights Association (GBHRA), that the recent police raids on the Haitian communities in Eleuthera and Abacao "demonstrate a growing pattern of complete disregard for human rights in The Bahamas by the government of Prime Minister Ingraham."

Haiti

Further on Aristide Restoration by Parliament

FL1506182093 Port-au-Prince Radio Tropic FM in French 1030 GMT 15 Jun 93

[Text] The Haitian parliament early this morning approved a resolution providing for the restoration of ousted President Jean-Bertrand Aristide and demanding political and security guarantees, namely, that the president refrain from violence. The resolution explains that the president, whose return to Haiti will be deferred, must name a prime minister in accordance with the Constitution. After the prime minister is approved by the parliament, Article 148 of the Constitution will be implemented. Article 148 stipulates that if the president is temporarily unable to exercise his duties, the Council of Ministers, presided over by the prime minister, will exercise executive power as long as the impediment [empechement] lasts.

The resolution, preceded by impassioned debate about Aristide's advocating necklacing as a political weapon, was passed by a narrow margin of 37 votes—essentially socialist—out of 62. The resolution stipulates that Citizen Father Jean-Bertrand Aristide, who was elected on 16 December 1990 and whose constitutional mandate will expire on 7 February 1996, is acknowledged in his post of president of the Republic.

President Aristide was overthrown 20 months ago by the Army, which accused him of wanting to establish a dictatorship and forced him into exile. The text explains that under the principle of the continuity of state, political and administrative measures taken since 30 September 1991 by official authorities remain valid. The Senate's October 1991 appointment for three years of General Raoul Cedras, whose departure as Army chief is demanded by Father Aristide, falls within this category as do last January's partial legislative elections, which have been condemned by the opposition and the international community.

Before further on this order which stipulates other things regarding the restoration of President Jean-Bertrand Aristide, let us listen to the reading of the letter sent to the parliament by Gen. Raoul Cedras, commander in chief of the Haitian Armed Forces [FADH].

[Begin reading of correspondence] I have the honor of passing on to you a facsimile letter dated 11 June from UN/OAS special envoy Dante Caputo relating to a proposed meeting in New York on 16 June and the answer that was sent to him. Yours faithfully, Raoul Cedras, Lieutenant General, FADH, commander in chief.

United Nations, 11 June. Mr. Commander in Chief: Since the latest conversations in Port-au-Prince, the situation has noticeably evolved in Haiti as well as on the international scene. I believe it is time to find together a final way out of the political crisis by guaranteeing a process of peaceful transition and by laying the foundations of a stable and lasting democratic regime. It seems essential to me to reach an agreement as soon as possible.

The constitutional authorities of your country told me that they were willing to meet—under the auspices of the United Nations—with FADH representatives, probably in New York next Wednesday [16 June]. The purpose of this meeting, the mode of which we should set jointly, will be to determine the concrete measures that will allow [us] to reach the previously defined objectives. In addition, I believe that these discussions will also facilitate the settling of questions that were raised during our talks and that have proven to be important to the future of your institution.

I hope to get a favorable answer from you, Mr. Commander in Chief. Yours very sincerely. [end reading of correspondence]

After the resignation of [Prime Minister Marc] Bazin on 8 June, UN/OAS special envoy Dante Caputo announced a plan to convene a meeting of the main political forces to promote a negotiated solution to the crisis. We will talk shortly about the sanctions. But let us go back to this resolution which also stipulates that, before the approval of the new prime minister designated and appointed by the temporarily impeded President Aristide [empeche pour un bout de temps], the acknowledged president should solicit and get from the OAS and from the concerned foreign powers the lifting of the embargo and all other sanctions against the Republic of Haiti and Haitians, and the effective resumption of diplomatic and consular relations.

The restored president should publish an official document in which he says that he condemns any form of physical and moral violence regardless of its origin, according to the text. Any stand or statement likely to incite [the people] to action contrary to the Constitution, to the law, and to human rights in general—uprooting, plundering, and devastation of a political nature, necklacing or "Pere Lebrun," and the plundering and the destruction of Haiti's economic, historic, and cultural patrimony —is positively prohibited, the text says.

Once installed, the new government must submit a general amnesty bill to a parliamentary vote, the text stipulates. The new government will establish everything in close cooperation with the parliament, the judicial power, the Armed Forces, and the international community in order to create conditions favorable to the return to Haiti of the acknowledged president, adds the order.

While this resolution demands amnesty, President Aristide favors the departure of the high authorities in the Haitian Army. In a letter to UN/OAS emissary Dante Caputo, exiled President Jean- Bertrand Aristide, the legitimate president ousted from power on 30 September [1991], explains, quote: To find oneself around a table to explore together lasting solutions necessarily implies a

declaration demanding the urgent departure of the members of the high command of the Army and of the police. [no end quote as heard]

We will be back shortly because a few hours before the decision in the National Assembly session at the parliament on 14 June, a stand was taken by 14 people's organizations calling yesterday's National Assembly and this special session to resolve the crisis a parliamentary plot.

FNCD Rejects Parliamentary Vote Reinstating Aristide

FL1506151993 Port-au-Prince Radio Metropole in French 1045 GMT 15 June 93

[Text] The National Front for Change and Democracy, FNCD, parliamentarians who did not take part in the session [on 14 June] do not recognize the vote. That, at least, is the opinion of Senator Firmin Jean-Louis, president of one of the Senate offices. He rejects the provision voted last night by the socialist senators and deputies and those of the former progovernment coalition. Sen. Jean-Louis comments:

[Begin recording] [Jean-Louis] You say we did not participate in the National Assembly session. In the first place, for us there was no National Assembly on 14 June. There was a mockery, a totally irregular session of some senators and deputies at the Legislative Palace. Now, as for the reinstatement of President Aristide, we have already answered that, through statements. We have said that, on one hand, President Aristide may not be reinstated because he was the president of Haiti. On the other hand, how do you conceive that the parliament can vote a president, the election of a president at the second level in this country, while the Constitution is clear in Article 58 regarding the description of the national sovereignty electing the president of the Republic and the legislature by universal suffrage? Finally, with the participation of those elected on 18 January, this is an unacceptable act, quite illegal, irregular, and null.

[Correspondent Clarence] What was the reaction of the ousted president? Does he agree to choose a prime minister? What are the conditions Father Aristide asks for that?

[Jean-Louis] In order to choose a prime minister, it seems to me, one must go backward and admit that the coup d'etat no longer exists. If I understand this decree correctly, I read arrogance and quite unacceptable conditions from those legislators. They say that he must remain outside the country, they say that he chooses a prime minister but he must respect certain conditions. Of course the return to constitutional order must be negotiated. Of course an certain arrangement must be found. However, when some so-called legislators, some legal and others totally illegal, as you know, are demanding and setting conditions for President Aristide to accept for reinstatment, or no longer be president, it is totally unacceptable. I have not yet spoken to President Aristide, I do not know his reaction. I strongly doubt that he could go along with a masquerade marred by irregularities, by unconstitutionality, by illegality. [end recording]

De Ronceray, Jean-Louis Oppose Aristide Restoration Order

FL1606152993 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] The Mobilization for National Development, MDN, of Hubert De Ronceray on 15 June has condemned the parliamentarians' recognition of President Jean-Bertrand Aristide as constitutional president of Haiti. In the opinion of De Ronceray, who supports holding new presidential elections, this vote means a return to uprooting, plundering, political devastation, and necklacing. [He believes] ratifying a decision contrary to logic and good sense is out of the question.

For his part, Senator Firmin Jean-Louis of the National Front for Change and Democracy, president of one of the opposing branches of the Senate accusing each other of anticonstitutionality, has labelled the restoration a masquerade and show business.

People's Organizations Denounce 'Plots,' Conference

FL1506203993 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Jun 93

[Report by correspondent GB, in Creole—recorded]

[Excerpts] Before the National Assembly session of 14 June, 14 people's organizations claiming seniority and representation, denounce and reject in advance the plots at the parliament and in foreign embassies regarding solutions to the so-called institutional vacuum and the Haitian crisis. According to representatives of those organizations, the parliament, the international community, and the authors of 30 September [1991] will supposedly recognize the legitimacy of President Aristide so as to force him to accept the 18 January parliamentarians and to leave the General Staff as it is. [passage omitted]

Spokesmen say they do not support the national conference that Dante Caputo wants to hold, and they particularly do not agree with coup partisans. Like President Aristide, these 14 organizations set preliminary conditions for the Caputo conference, e.g., the resignation and arrest of the military involved in the coup d'etat, the cancellation of the contested elections of 18 January, and the acknowledgement of the legitimacy of President Aristide. These organizations denounce the two-faced stand of the international community [pozisyon kouto famasi kominote entenasyonal la] on the Haitian crisis and condemn any form of foreign military intervention in Haiti. [passage omitted]

The 14 people's organizations say they are committed to side with the people in mobilizing until the coup is foiled and the country is back on the track of democracy, justice,

and progress. Those organizations include Solidarity Among Little Haitian Peasants [Tet Kole Ti Peyizan Ayisyen], Papaye Congress National Peasants Movement, Solidarity Among Haitian Peasants, the Wake-up-and-Arise Committee, the Jean-Jacques Dessalines People's Committee, Solidarity Among Youth, the National People's Assembly, Student Affairs, The General Organization or Workers, the As-it-Must Committee [Konbit Komilfo] of Grand-Goave, the Federation of Neighborhood Committees, ANOP [expansion unknown] of the north, and CHANDEL [expansion unknown].

Call for Army Intervention

FL1506224293 Port-au-Prince Radio Metropole in French 1600 GMT 15 Jun 93

[Excerpts] While the parliamentary session in national assembly on 14 June was being held, some people's organizations were inviting the Army to intervene with the parliamentarians to reinstate the ousted president. During a press conference, the Front of the People's and Union Organizations [as heard], FOPS, called on the military institution to favor the application of Article 148 of the Constitution. FOPS openly supported Serge Gilles as new prime minister. Edner Jean filed a report:

[Begin recording] The Front of People, Peasant, and Union Organizations for the Support of Democracy is trying to make the Haitian Army confront its responsibilities under the current conditions. They are the real power, state FOPS leaders, alluding to the various military actions since the 30 September coup. What the military wants is also desired by the majority of the legislators, say the Front's leaders.

Therefore, the Army could easily lead the Parliament to recognize the legitimacy of President Aristide and promote his return to power. Once this outline for a resolution to the crisis is implemented, the Army, according to the Front's proposals, will quietly enter its barracks to secure the lives and property of the population in general, and of Father Aristide in particular. [passage omitted]

Speaking to the president in exile, the FOPS asked him his opinion, without ambiguity or beating about the bush, on the question of amnesty. Once the president is reinstated, he will proceed with the formation of a concord government led by a new prime minister. To the FOPS leaders, Serge Gilles has all the qualities to be the new head of government. However, the spokesmen, Charles (Datallant), Gerner Milcent, and Jocelyn Lundi severely criticized PANPRA [National Progressive Revolutionary Party of Haiti] behavior in the current crisis. [passage omitted]

The Front also called on the other people's organizations to join it in finding a common position aimed at achieving the return of the ousted president. It should be noted that FOPS alone claims 109 people's, peasant, and union organizations. However, the names of these organizations have never been made public. [end recording]

Trinidad and Tobago

Manning on Letters of Intention With Germany, UK

FL1206145593 Bridgetown CANA in English 1414 GMT 12 Jun 93

[By Linda Hutchinson]

[Tex] Port of Spain, Trinidad, June 12, CANA—Trinidad and Tobago's prime minister, Patrick Manning, said Friday that the twin- island state was poised for a new burst of investment activity. Among the areas listed for investment are energy, tourism, financial services, manufacturing, and agriculture.

".... With this impending increase in economic activity will come, in due course, the expansion in job opportunities for which the country has ... been yearning," Manning told the parliament. At the time, he was giving an account of his two-week visit to Jamaica, the United Kingdom, and Germany.

During the 47 meetings held in the U.K. and Germany, a memorandum of understanding was signed between the government and Ferrostaal/Helm A.G., two industrial companies based in Germany, to a substantial investment in the Trinidad and Tobago Methanol Company (TTMC) Limited. The companies will purchase 31 percent of the shareholding in an expanded TTMC for U.S.47 million dollars.

The new equity, together with a U.S.188 million dollar loan, will be used for the construction of a U.S.235 million dollar methanol facility in the central region of Point Lisas, which will add 55,000 metric tonnes annually to the TTMC. Government plans to divest a further 24 percent of its shareholding in the TTMC to third parties.

The government also signed a letter signalling its intention to conclude an investment promotion and protection agreement with the United Kingdom. The agreement will contribute to the creation of favourable conditions for investments between the two countries by providing for compensation in the event of expropriation, officials say. In addition, the accord will immediately reduce the insurance premiums on export credits destined for Trinidad and Tobago by ten percent. Manning said the agreement, which is expected to be concluded by the end of the month, will serve as a model for similar pacts with other industrial countries. Government will soon begin discussions with Germany on a draft proposal which has already been submitted.

Within the next two weeks, the government will execute an agreement on a TT69 million dollar structural adjustment support facility with the European Community for the construction of community centres, sporting facilities, self-help projects, and vocational training.

The government also "sensitized" the United Kingdom and Germany, two key Paris Club creditors to Guyana on the twin-island state's position with respect to the resolution of the U.S.400 million dollar debt owed to this country by Guyana, Manning said.

"This was done within the context of the advice provided by Paris Club creditors that the mutual interests of Guyana, Trinidad and Tobago, and the Paris Club will be best served by bilateral talks among Trinidad and Tobago and Guyana's individual Paris Club creditors," Manning said.

In the United Kingdom and Germany, Manning said political discussions touched on a variety of issues including bananas, international cooperation in combating drugs, national security, and public sector reform.

Guzman Sentenced for Murder of Sinaloa Attorney General

PA1406214993 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 14 Jun 93

[Excerpt] Drug traffickers Joaquin Guzman Loera, alias El Chapo, and Luis Palma Salazar, alias El Guero Palma, have been found guilty of the murder of Francisco Rodolfo Alvarez Farber, former attorney general of Sinaloa State, who was killed on 28 April in the Parque Hundido of Mexico City.

According to investigations undertaken jointly by the Attorney General's Office [PGR] and the Office Attorney General, Federal District, the two drug traffickers, together with Federal Judicial Police Commander Mario Alberto Trevino, are the masterminds of the murder.

[Begin recording Rene Gonzalez De La Vega, deputy attorney general, Federal District] The Office of the Attorney General of the Federal District, with the valuable support of the PGR and the National Human Rights Commission, has undertaken legal action and filed charges of murder and criminal association against Hector Luis Palma Salazar, alias El Guero Palma; Joaquin Guzman Loera, alias El Chapo Guzman; and Mario Alberto Gonzalez Trevino, as masterminds of the murder of [Francisco Rodolfo] Alvarez Farber. [end recording]

Enrique Hernandez Ramirez, killer of the former attorney general of Sinaloa State, has also been charged with murder and criminal association. Furthermore, drug trafficker Aurelio De La Vega and brothers Carlos and Adrian Perez Melendez, members of the Judicial Federal Police, have also been charged for the same crimes. [passage omitted]

Captured Trafficker, Accomplices Held in High-Security Jail

PA1406191793 Mexico City XHTV Television Network in Spanish 0200 GMT 12 Jun 93

[Excerpts] Criminal proceedings against Joaquin Guzman Loera, alias El Chapo, and his accomplices, with whom he was arrested, have begun at Almoloya de Juarez high-security prison in the State of Mexico, where the men have been held since 11 June.

On 12 June, El Chapo and his five accomplices made preliminary statements in Mexico City's Third Criminal Court. After the legal 72-hour detention period expires, the court will decide on the accused mens' legal status.

[Passage omitted] Juan Pablo de Tavira, director of Mexico's only high-security prison, reported that a file is being prepared with the results of psychological and social work tests, and the criminal, labor, and educational backgrounds of El Chapo and his accomplices. This will make it possible for the prison to establish the personality of each and to classify them accordingly. De Tavira said Guzman's main personality traits include a tremendous love of money and criminal ability, which ranks him as a very dangerous and intelligent outlaw. For this reason, he will be held in module one, where some of the most infamous drug capos, including Miguel Angel Felix Gallardo; Rafael Caro Quintero; and Ernesto Fonseca, alias Don Neto, who have been tried and sentenced, are being held.

De Tavira said there is no communication among the inmates, who are completely isolated from one another. The inmates conduct cultural, artistic, sports, and educational activities. The director said Caro Quintero is studying at the first year of primary school level.

The Almoloya de Juarez high security prison was built in 1991 and is fitted with the latest technological security equipment. It consists of a 10-hectare construction area, including halls and tunnels. Walls and foundations are of reinforced concrete. The perimeter wall is reinforced against explosives. An external security circuit covers seven hectares. The airspace above the prison is restricted. All of the operating systems are electrical. The 408 individual cells are guarded around the clock through closed circuit television. There is no possibility of escape. In a word, the Almoloya de Juarez high security prison is impregnable. Twelve similar prisons are under construction in Jalisco and Tamaulipas.

Links Between Police, Drug Traffickers Investigated

PA1406041793 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 11 Jun 93

[Text] Nervousness prevails among police chiefs and members of the Federal Judicial Police [PJF], because they expect that the investigations of the violent incident in Guadalajara on 24 May will bring about an unprecedented purge in the PJF. The links between PJF members and drug traffickers are evident. Attorney General Jorge Carpizo made this dramatic charge on 7 June:

[Begin Carpizo recording] We have traitors. In other words, drug trafficking has been able to infiltrate the PJF through some agents. [end recording]

Not even three hours had passed after the attorney general made the charge when it was reported that Francisco Antonio Ovejos Camacho, who was director of the PJF in Jalisco State, was arrested for providing protection to drug traffickers. These and other arrests connected with the Guadalajara incident have shed, and will shed more light on the ties between policemen and drug traffickers. The Attorney General's Office [PGR] is already evaluating the various reports, statements, and evidence to take action in this regard.

Between 1 July 1990 and 20 June 1992, 229 PJF members and 44 PGR agents were removed from their positions because of charges and complaints against them—most of them for drug-related crimes. The PGR has taken penal action against at least five PJF commanders. They are: Mario Alberto Gonzalez Trevino and Bernardo Gonzalez Urtuzuastegui, linked to the Sinaloa Cartel of El Chapo Guzman [Joaquin Guzman Loera] and El Guero Palma [Hector Luis Palma]; Guillermo Gonzalez Calderoni, a fugitive from justice and protector of Juan Garcia Abrego and Luis Garcia Medrano, leaders of the Tamaulipas Cartel; Adolfo Mondragon Aguirre, who is in custody and is accused of protecting the Arellano Felix brothers of the Tijuana Cartel; and Flavio Jimenez Durengano, accused of protecting Emilio Quintero Payan, heir of the Guadalajara Cartel.

El Salvador

FMLN Admits Existence of More Weapons Arsenals

PA1506180193 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Jun 93

[Text] Miguel Saenz, National Commission for the Consolidation of Peace [Copaz] provisional coordinator and leader of the Farabundo Marti National Liberation Front [FMLN], has said many weapons arsenals that belonged to the former guerrilla group exist in different areas of the country. He stated those arsenals were in the hands of fighters who were killed, which is why the FMLN lacks full information about them.

[Begin Saenz recording] Regarding the weapons found in different areas, we feel more arsenals will be found in the future. A large number of arsenals, which contain few weapons, were in the hands of people who have since died. For that reason we have no way of getting further information. The weapons cache process was handled in a very fragmented manner. One or two persons at the most knew about the process and these people are dead now, making it is extremely difficult for us to find these weapons. [end recording]

On the matter of constant discoveries of weapons in Nicaragua, Saenz said the FMLN continues cooperating to locate them. This does not mean, however, that the peace process has suffered a setback or is stalemated.

[Begin Saenz recording] We feel this development does not mean the peace process has failed or collapsed, and there is nothing else to do. We feel this is a serious incident in the process of complying with the agreements, but it is very important to see the overall picture, and that the process is moving forward. We are committed to move this process forward. That is why we said this problem—and it is fair to admit it—was a mistake. We are prepared to cooperate fully. [end recording]

Saenz made these remarks during a recess of the Copaz meeting held on 14 June to discuss funds for the war handicapped and compliance with the Truth Commission recommendations.

Villalobos Discusses Arsenal, ERP Reorganization

PA1606041893 San Salvador EL DIARIO DE HOY in Spanish 15 Jun 93 p 25

[Excerpts] On 14 June, Joaquin Villalobos, leader of the People's Revolutionary Army (ERP), one of the five groups in the formerly insurgent Farabundo Marti National Liberation Front (FMLN), stated that the discovery of Farabundo Marti Popular Liberation Forces' (FPL) weapons in Nicaragua has a "very high political cost" for the FMLN.

"In the end, however, something good will result from the high political cost because every cloud has a silver lining," the former "commander" added. Villalobos offered the media an improvised news conference on the seventh floor of the Legislative Assembly after he met privately with Congress President Roberto Angulo.

Villalobos claimed the FMLN is currently being subjected to "large-scale harassment" as part of the "political tab" for the arsenal found in Managua. He, however, rejected the possibility that the FMLN party be suspended due to that incident.

The ERP leader answered a question related to a possible schism in the FMLN due to the discovery of the FPL weapons. He said the internal unity of the former guerrilla organization has not been affected by the incident and that the process for the reinsertion of former combatants to civilian life is continuing.

Approximately 14 FPL weapons caches have been found in Nicaragua after an arsenal exploded in an auto repair shop on 23 May. The Supreme Electoral Tribunal is currently studying the case to determine the FMLN's legal responsibilities as it is now a political party and the Constitution prohibits the existence of armed political groups. [passage omitted]

As part of an internal reorganization process, the ERP has also announced a name change, redefined programs and bylaws, and elected an Honor Tribunal.

On 14 June, the ERP issued a communique stating that at a meeting held during the 12 June weekend, a decision was made to rename the organization "Party of the Salvadoran Revolution-People's Revolutionary Expression (PRS-ERP)" [Partido de la Revolucion Salvadorena-Expresion Revolucionaria del Pueblo], but to continue using the ERP acronym.

The communique reveals the ERP also approved new bylaws and reelected Joaquin Villalobos, who was its main leader during the war, as secretary general, and Ana Guadalupe Martinez as adjunct secretary.

The PRS-ERP "Honor Tribunal" includes Meliton Barba, Daniel Rios Lazo, Nicolas Foroni, Mirna Anaya, and Rafael Velasquez.

Human Rights Ombudsman, Judiciary Officials Meet 14 Jun

PA1506191093 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Jun 93

[Text] Human Rights Ombudsman Carlos Molina Fonseca met with a National Judiciary Council [Concejo Nacional de la Judicatura] delegation on 14 June to discuss the administration of justice.

[Begin Molina recording] We are united in our effort to improve the administration of justice. As for the Ombudsman's Office, which must ensure due process of human rights, we will work in close coordination. We have discussed positive ideas. This visit shows that the Council and Ombudsman's Office want to work together

toward a noble and important objective for democracy in this country. [end recording]

The Ombudsman's Office has issued statements reporting on violations of due process, and Molina discussed the topic with the Council.

[Begin Molina recording] The National Judiciary Council must know about cases when there were no violations as well as when there were. Why? As Dr. Murcia [not further identified] said recently —and we fully agree with him—a good judiciary official, one who is making his way in a judicial career, must receive recognition and corresponding promotions. [end recording]

Dr. Molina Fonseca said these kinds of meetings will be held periodically to strengthen communications between the two institutions that oversee the faithful compliance with the law.

Central Bank Reports Increase in International Reserves

PA1506162893 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Jun 93

[Text] The Central Reserve Bank of El Salvador [BCR] has issued a communique reporting that its net international reserves amounted to $587 million as of 31 May 1993, $8 million higher than the April 1993 reserves and $121 million higher than those of May 1992.

The BCR communique added the increase is due to the fact that international assets amounted to $663 million, while short-term foreign liabilities amounted to $66 million, allowing the financing of up to four months of imports, the highest rate obtained in 1993.

Included among the main foreign currency revenues are $25 million in coffee exports, $24 million in cash reserves in the system's banks, $11 million in loans favoring the BCR and the public sector, $14 million in foreign currency purchases from the banks in the system, $5 million for payment in National Telecommunications Administration current account, and $3 million on interest for BCR investments.

Guatemala

President Appoints International Law Expert as Foreign Minister

PA1506193893 Panama City ACAN in Spanish 1842 GMT 15 Jun 93

[Text] Guatemala City, 15 Jun (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio on 15 June appointed Arturo Fajardo Maldonado, an international law expert, as his foreign minister.

The new foreign minister, who has been Guatemala's representative at the United Nations, will be sworn in by Hector Luna Troccoli, a lawyer who is the secretary general of the Presidency.

Arturo Fajardo Maldonado replaces Gonzalo Menendez Park, a personal friend of deposed President Jorge Serrano Elias, who held this post as of late 1991 following the resignation of Alvaro Arzu, Serrano's first foreign minister.

The lack of experience of Menendez Park, a lawyer who is said to be one of the masterminds behind the 25 May self-inflicted coup, was questioned by various groups. Fajardo Maldonado, a former professor who has done research work, graduated from the University of San Carlos of Guatemala in 1964 and did graduate work in Switzerland.

The new foreign minister, who is also an expert in regional integration, was ambassador to the United Nations in New York and a representative at the European office and at specialized groups headquartered in Geneva, Switzerland. He was ambassador to the EC and to the governments of Belgium, Holland, and Luxembourg. Fajardo will turn 55 in July.

This is the second minister that De Leon Carpio has appointed since he took over the Presidency on 6 June. His first appointment was Defense Minister General Roberto Perussina, who replaced Jose Garcia Samayoa.

Holds News Conference on Cabinet Appointments

PA1606004893 Guatemala City Teleonce Television in Spanish 1800 GMT 15 Jun 93

[News conference by President Ramiro De Leon Carpio at the National Palace with unidentified reporters on 15 June—live or recorded]

[Text] [De Leon] I wish to take this opportunity to thank the officials of the Foreign Ministry for their work. You are aware of the important work done by everyone. In thanking each official for his performance I wish to voice my satisfaction for the selection of Dr. Arturo Fajardo Maldonado. He is a career diplomat on whom I have entrusted the leadership of this important Ministry.

I also wish to say I think my words reflect reality and truth—I think it is more than a palpable reflection of my work. I have not been asked, but I have worked between 14 to 16 hours a day since I took office. I want you reporters to know this because there is interest in knowing the composition of the new cabinet, the urgent measures to be adopted in the next six months, and the government plan for the next two years.

Believe me when I say I have spared no efforts and neither has the team of advisers of the various sections. It is only now that we are really coming up with the initial results of our in-depth study.

I will continue to present new appointees shortly with the same satisfaction I am presenting the new foreign minister. On the afternoon of 14 June we will announce the team that will be in charge of the National Information Secretariat. At a later date, we will announce other cabinet appointees.

On 20 June I will reveal in an special message a document the measures of a national agreement for the next six months of our administration. I will be informing you through the new information secretariat or the new National and International Information Directorate about upcoming events and measures. As you might understand, it was difficult for me to maintain direct contact with the media in the past days because I have worked exclusively to appoint a new cabinet and establish measures that will be adopted.

Some of these measures pertain to citizen safety. This is a potential problem for the entire population. Although there has been tranquillity and common crime has decreased temporarily because of the current circumstances, the main measures to be adopted in the next few hours and days will be efforts to combat crime and guarantee citizen safety and to restore credibility and trust from Guatemalan citizens. These measures are not intended to solve the various social, political, economic, and cultural problems immediately or overnight, but are intended to start restoring trust, credibility, and above all, the hope that Guatemalans had lost.

Before the new foreign minister and I answer your questions, I wish to reaffirm my gratitude to the national media. As I said on my first day in office, we will coordinate contacts with you through the national media secretariat or directorate. Its composition will be revealed on the afternoon of 14 June.

The new foreign minister will have the full support of the president of the Republic. It is not by chance that he was the first cabinet appointee. He was appointed first because of the importance of various developments in the international community.

[Reporter] Some people will demonstrate or march to the Panamanian Embassy to ask for the extradition of former President Serrano. This coincides with the meeting held by the foreign ministers of the region to prepare for the 17 June summit. How will you respond to this situation, as they say that if there is not a quick response, they will seek to break relations with Panama?

[De Leon] This is nothing more than the exercise of democracy, which will always be respected by our government. It ratifies what I have already said in the sense that we are going to comply and enforce the law. Our government will strictly comply with the procedures that must be followed. We will always listen to the requests made by the population through various groups.

[Reporter] Will you choose the deputy foreign ministers also, Mr. President?

[De Leon] Pardon me?

[Reporter] Will you choose the deputy foreign ministers also?

[De Leon] The appointment of the deputy ministers, as well as of the other officials, will be up to the new foreign minister. We will naturally consider the realities and qualities of the people who will occupy each of these positions.

[Reporter] Are you studying a list of candidates for these posts?

[De Leon] You will have the names this afternoon.

[Reporter] What about the vice presidency, Mr. President?

[De Leon] Within the next few days you will have the list of three candidates, which will be submitted to the Congress. I want to tell you that there has logically been much speculation about names, not only for the post of vice president, but also for the cabinet posts. I think that with the amount of names I have been getting, I could form three cabinets. [laughter] I am allowed only one cabinet, however. Most of the names that have been mentioned up until now are mere speculation, which is logical. The same is true for the candidates being mentioned for the post of vice president. In this regard, I am studying the best options for Guatemala. I can tell you that the candidates I will propose to the Congress of the Republic will have a nonpolitical, honorable, and efficient profile. I will choose people with these qualities so they can really contribute to the government over which I have the honor of presiding. They will not represent any sector of power and I want to tell you there is absolutely no pressure and I will not accept pressure from any group either.

¡Reporter! [Words indistinct]

[De Leon] Of course. Thank you for the question. I have always believed in the principle of equality and nondiscrimination. If there is a sufficient number of people who can represent the Indian community, who could be appointed to my cabinet, they will be well received and they may even be appointed. I have had the opportunity, thanks to my lack of commitments to political parties, to listen to the various sectors, even though I have not had enough time. I want to make it clear that it is not a matter of creating secretariats or ministries representing or defending Indian people because I do not believe in discrimination. The Indian people, with whom I have held direct talks, do not believe in it either. Indians may be appointed to my cabinet. That is possible. Two, three, or five Indians may be appointed, but it depends on the acceptance or the participation they will have in our government. There will be no sex discrimination either, but I will not appoint a woman just because she is a woman. What I am trying to say is that there will be no discrimination of any kind and certain offices to defend certain groups will not be created. In my opinion there should not be this kind of discrimination. Logically, the

Indian population should be represented in our government because they are the majority in our population.

Labor Groups Demand Serrano, Espina Extradition

PA1606005993 Mexico City NOTIMEX in Spanish 1719 GMT 15 Jun 93

[Text] Guatemala City, 15 Jun (NOTIMEX)—Labor unions in Guatemala have demanded that the government break diplomatic relations with Costa Rica and Panama if former President Jorge Serrano and deposed Vice President Gustavo Espina are not extradited to the country.

Nery Barrios, leader of the Labor and Popular Action Union (UASP), told NOTIMEX that "we will sabotage the arrival of Panamanian President Guillermo Endara and Costa Rican President Rafael Angel Calderon in Guatemala on 17 June."

He stated that the UASP will stage a protest at La Aurora International Airport in this capital when Endara and Calderon Fournier arrive in the country, adding that "we will follow them until they arrive at the Presidential Palace, where we will stage a demonstration."

Endara, Calderon, Nicaraguan President Violeta Chamorro, Salvadoran President Alfredo Cristiani, and Honduran President Rafael Leonardo Callejas will arrive in Guatemala on 17 June to sign a joint document in support of the government of Ramiro De Leon Carpio.

The UASP leader explained that they are trying to exert pressure so that Panama and Costa Rica turn over Serrano and Espina to Guatemalan justice.

"They robbed our people and got away with it; they have been accused of several crimes and must now face justice," Barrios stated.

Serrano and Espina have been accused of 11 crimes, including usurpation of functions, abuse of authority, misuse of public funds, violations of the Constitution, and disobedience to government judicial organizations.

Barrios indicated that in case Panama and Costa Rica refuse to turn over Serrano and Espina, the people's movement will exert pressure so that Guatemala breaks diplomatic relations with the two Central American nations.

On 16 June, labor leaders and organized civilians plan to stage a demonstration at the Embassy of Panama in Guatemala to demand that Serrano, who sought asylum in that nation on 6 June, be turned over to the country.

"The ambassadors of Costa Rica and Panama will have to be expelled from the country if their governments do not turn over dictator Serrano and his crony Espina," Nery Barrios asserted.

He announced that Guatemalan labor leaders will take steps at the Central American Confederation of Workers [Confederacion Centroamericana de Trabajadores—Cocentra] before their Panamanian colleagues to pressure Endara's government to turn over Serrano.

Groups of civilians on 14 June presented a list of demands to the Costa Rican Embassy in this capital explaining the need for Espina to appear before Guatemalan courts.

It is believed that at the meeting of De Leon Carpio with the Central American presidents the issue of the extradition of Espina and Serrano could be analyzed.

De Leon Carpio, who has not yet commented openly on the issue of the extraditions, said his government does not seek "vengeance or retaliation," but it will respect the decisions made by the country's legal bodies.

Ramiro De Leon Carpio has replaced Serrano who was forced out of power on 1 June, eight days after he decreed a self-inflicted coup d'etat.

Nicaragua

FPI Group Issues Communique on Amnesty Proposal

PA1506045193 Managua Radio Sandino in Spanish 1830 GMT 14 Jun 93

[Report by Francisco de Jesus Rodriguez from Jinotega]

[Text] Northern Front Captain Luis Meza Moreno of the Leftist Punitive Forces [FPI] has issued a communique voicing the Northern Front's interest in being considered for amnesty. The group stated in the communique that if the government does not meet its eight demands, which include the delivery of 36 homes in La Concordia and two in San Rafael del Norte, its forces will not demobilize.

"Radio News" received communique No. 3 from the Northern Front demanding, among other things, that it be considered for amnesty. The requests are as follows:

1. Demobilization of recontras and [words indistinct].

2. Total amnesty for all the combatants of Northern Front Captain Luis Meza Moreno, FPI.

3. Fulfillment of the delivery of 36 homes in La Concordia and two in San Rafael del Norte.

4. Negotiation of the debt of peasants with a one-year extension period.

5. Granting of an extension for debts of all peasants and immediate financing for the agriculture cycle 1993-94.

6. Expedited delivery of land to peasants, since the government had pledged in its government program to deliver land to peasants who qualified for the agrarian reform.

7. We demand that the government respect our revolutionary achievements, including those granted to war crippled, war orphans, mothers of heroes and martyrs; we demand respect for Laws No. 85, 86, and 88.

8. We demand respect for the physical welfare of the demobilized and our combatants who will demobilize.

We express to the government that if the aforementioned demands are not accepted, our forces will not demobilize and we will fight until the last man, inspired by the memory of our heroes and martyrs.

[Signed] Commander Callado, Northern Front Captain Luis Meza Moreno

Government Minister Comments on Disarmament

PA1506171293 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 14 Jun 93

[Interview with Government Minister Alfredo Mendieta by Presidency Information Office Director Ernesto Robleto in Managua; date not given—recorded]

[Excerpt] [passage omitted] [Robleto] Mr. Mendieta, how is the Program to Guarantee Life and Work doing in the north? The government launched the program to support 1993 agricultural production.

[Mendieta] It is doing very well. There has been a drop in crime, especially near Esteli. We have managed to get more than 600 people to enter the security zones and to disarm. We believe we will be able to begin a massive disarmament process shortly. We have mad great strides in this area; for example, we can report the demobilization of Commanders Henry and Huracan in the 5th Region; the Matagalpa chief and Horco near Dalia in the 6th Region; recontras Baila Baila, Ali, Amilcar, Nelson, and Camaron in El Dorado. We have seized large numbers of rifles and, as you pointed out, part of them were burned in the presence of OAS members in Nicaragua. We continue to make progress in this field.

[Robleto] The deadline for rebels to enter the security zones is 15 July. What will happen to those who refuse to enter the zones?

[Mendieta] We will meet with the Presidency minister and the members of the security cabinet on 21 May to study what steps to take. We see two main aspects to this problem: first, the need to convince these people through dialogue to put down their weapons; and second, the implementation of the necessary coercive actions to combat those groups to ensure full agricultural production in rural areas. We want to emphasis that the measures are the results of an accord reached within the framework of national dialogue, the demands presented by the farmers who were unable to produce, and particularly because the government wants to preserve and guarantee the freedom to live and work in our country.

[Robleto] Presidency Minister Antonio Lacayo announced that the government is willing to grant amnesty in the northern area. Media sources have commented that the amnesty would also include the Leftist Punitive Forces, FPI. Is that true?

[Mendieta] The executive branch has not presented an amnesty proposal. We state this very clearly: The government is willing to support a national agreement on any kind of amnesty, as it would allow us to achieve peace in those sectors. The government is not, however, proposing an amnesty. That has to be very clear. We are trying to find legal ways to get all those groups to disarm in one massive demobilization.

[Robleto] Would the amnesty benefit the FPI?

[Mendieta] We have clearly said that FPI members will not benefit from the first phase of the plan. The government is willing, however, to study any amnesty proposal from any sector. The government will not dictate how the amnesty should work. The government will wait for the sectors proposing amnesty to explain how far-reaching an amnesty should be. We believe this can be the product of a national agreement resulting from the search for national stability and reconciliation.

[Robleto] The government estimates that there are 1,200 rebel troops. They are the remnants of demobilized groups that turned in their weapons last year in massive numbers. Do you think, Mr. Mendieta, that this amnesty will solve the problem of the 1,200 people still causing trouble, creating fear, and despicably attacking citizens and farmers?

[Mendieta] We would like to believe the situation will end once the 1,200 rearmed people surrender. That would be the best thing for our country. We must openly admit, howver, that there are groups, specifically the Chacal and Pedrito El Hondureno groups, that are not willing to participate in the government's disarmament process.

A majority of the groups, however, are willing to participate. We can say that at least 80 percent of the Government Ministry's estimated 1,200- or 1,300-strong rebel force is willing to participate in a disarmament process. They have expressed concern about their future legal status. For this reason, we have been talking about amnesty. So far, the Chacal and Pedrito El Hondureno groups have rejected calls to relinquish their weapons.

This is a understandable situation in a post-war period such as the one we are experiencing in Nicaragua. Those groups are remnants, as you have said, but the government will try to secure their disarmament.

There is a point at which we must set limits on what is tolerable and what is not, and those groups are acting entirely beyond tolerable limits.

Nicaraguan Resistance Communique on Amnesty Law

PA1606025593 Managua Radio Corporacion in Spanish 2200 GMT 15 Jun 93

[Communique issued by Commanders Chacal and Esteban of the Nicaraguan Resistance Northern Front 380 on 11 June; place not given]

[Text] 11 June 1993—Through this communique we ask the national and international community:

1. To condemn the amnesty law that the Executive Branch wants to approve to benefit all the criminals and terrorists that the Sandinist Army has created, including paramilitary groups such as those that murdered Dr. Arges Sequeira Mangas and those that are responsible for kidnapping, blackmail, and murder in northern Nicaragua.

The Northern Front 380 wishes to make very clear that as a armed political movement fighting against corruption and injustice, it wants all human rights violators, regardless of who they are, to be punished by Nicaraguan justice.

2. To claim responsibility for the destruction of the Centro America Plant, Yalaguina Electric Substation, microwave towers, energy plants in Esteli, and the destruction of more than 20 state electricity lines in response to state-imposed limitations as part of a state of siege in northern Nicaragua.

[Signed] The Staff of the Nicaraguan Resistance, Northern Front 380, Commanders Chacal and Esteba

God, fatherland, liberty, we will win.

Special Northern Brigade To Operate in Matagalpa

PA1506191793 Managua Radio Corporacion in Spanish 2200 GMT 14 Jun 93

[Report by Celso Martinez from Matagalpa]

[Text] During a recent news conference by Matagalpa Police Chief Commander Roger Ramirez, it was reported that the Special Northern Brigade, formed by national police units, would be operating throughout the department beginning 14 June. The special brigade's main responsibility will be to crack down on rising crime in the region.

The brigade will be divided into two groups: One group will be transferred to Jinotega, and the other will remain in Matagalpa. This special brigade, formed by national police riot squad specialists, will be directed by Matagalpa Police Chief Roger Martinez and Deputy Commander Carlos Espinosa.

It is expected that criminal activity in Matagalpa will drop with the arrival of this special brigade. The brigade will be stationed in the region for as long as they are needed.

According to information revealed by Commander Roger Ramirez during his recent news conference, criminal activity has risen drastically in Matagalpa. Measures to combat crime in the region had not been implemented before, because the Special Northern Brigade had been stationed in Esteli cracking down on the wave of kidnappings against ranchers that took place in April and May.

The community of Matagalpa hopes the Special Brigade will be able to reduce criminal activity in the region. One of its first measures will be to establish 24-hour observations for an indefinite period of time. The brigade will not be restricted to urban areas but will also operate in rural areas. In some communities the brigade will operate with Sandinist People's Army [EPS] troops.

Special Northern Brigade commanders have indicated that anticrime operations will be implemented in communities such as Tejucuapa, Tierra Colorada, (Tutuma), and San Pedro.

Matagalpa residents expressed their concern about possible abuses by EPS forces. Commander Roger Ramirez clearly stated that if there are any instances of abuse, reports should be filed immediately so that charges may be brought against EPS soldiers and national police members.

It was reported at the same news conference that several armed groups operating throughout the department had been disarmed and disbanded. Commander Ramirez mentioned the Zopilote group operating in Rio Blanco and (Cuello Largo) operating in [word indistinct]. Other groups disarmed by the Matagalpa Police include Los Lagos, Los Congos, Los Orocos, and Los Esquineros. This last group, which was arrested on 1 June, has been implicated in the 10 April massacre of an entire family in Wiliquito. Another armed group known as San Pablo has been operating in San Ramon.

Commander Ramirez indicated that uniforms similar to ones used by the Special Disarmament Brigade have been seized from some of the armed groups. He also reported that EPS soldiers who had deserted have been arrested with some of the armed groups.

The news conference took place at Matagalpa Police Headquarters. More information will be made public as the Special Northern Brigade begins operations.

Pereira Examines Implementation of Property Laws

PA1506212393 Managua EL NUEVO DIARIO in Spanish 14 Jun 93 pp 1, 8

[By Edgard Barberena S.]

[Text] The Supreme Court of Justice and the Attorney General's Office will give legal weight to the solvency documents [solvencias] granted by the Office for Territorial Organization [OOT] to those who received houses

and lots under Laws 85 and 86, but it will give such documents only to those who made it through the OOT "strainer."

On 13 June EL NUEVO DIARIO published a Community Movement report stating that 70 percent of the families that are trying to legalize their houses and lots under Laws 85 and 86 run the risk of being left without shelter because the OOT "lost" documents.

Finance Minister Emilio Pereira recently told the Legislative Assembly that those two institutions and the Finance Ministry will begin to discuss the legal backing that will be given to the two laws, but he did not give any details. We have learned there have been judicially approved evictions of people to whom solvency documents were issued.

The Community Movement reported an average of 600 evictions per month; that is, 20 per day. Should this trend continue, the group estimates some 4,100 will be left without shelter and many others will be evicted by former owners.

During an appearance before the National Assembly plenum, Minister Pereira also said the Supreme Court of Justice and Attorney General's Office should meet with the Community Movement and Community Board for Works and Progress [Jcops]. He confirmed that an effort will be made to give greater legal weight to the solvency documents that have become "headaches" for some who benefited from those two laws.

Pereira called attention to the freeze on the implementation of the law against squatters approved by the National Assembly last week which was well received by the population. The law will "in one way or another ensure that solvency documents obtained under Laws 85 and 86 will allow those affected to secure their title deeds."

Due to certain problems involving properties —the last property registry review took place between 1965-1966 and property limits have changed over time— the transition from solvency document to title deed is not an automatic process."

Pereira said the Sandinist government knew when it proposed Law 86 that it involved engineering work, technical topography that would probably take between three and five years, because a property problem is involved.

At the plenum Pereira promised to talk to officials at the Presidency and Nicaraguan Housing Bank to see that an "intervenor" will finally be appointed to expedite the issuance of title deeds.

On 9 June the National Assembly agreed on a nine-month suspension of executive actions (evictions) resulting from civil proceedings against squatters. All actions in those cases where a final ruling has already been passed have also been suspended for the same period.

That means people will not be able to file suits to recover homes, said Dr. Yadira Centeno, member of the Justice Commission of the National Assembly, on 13 June.

Article 2 of the law already in force states clearly that "trials against squatters that began before the law went into force are suspended for the same period."

The precarious commodatum element was established with the approval of "the law that suspended for one year the actions specified in Article 3446 of the Civil Code," a bill that had been originally introduced to the assembly Dr. Danilo Aguirre Solis, chairman of the Justice Commission.

The suspension decision in that law, the approval of which went unnoticed despite its importance to the population, states that the squatting referred to in Article 3446 of the Civil Code is a foreign element to Nicaraguan law to the extent that its name is little known and the Code of Civilian Procedures paid no attention to it.

"An informal survey indicated that none of those who filed suits against squatters agreed to a squatter's rights contract with the person they were suing; that is, we never heard of anyone saying: "...I will give you my house under squatter's rights," the Justice Commission ruling states.

In Nicaraguan Civil Code, the squatting issue is at the same level as the consumption loan [prestamo de consumo]. The difference is that squatting involves something that is loaned for use virtually free. It does not involve a transfer of property, and anything loaned under such circumstances must be returned.

The loan and return of something are common characteristics of a consumption loan and squatting.

The law, which ordered the suspension, established that squatting is a contract by which a party gives another something that is neither interchangeable nor consumable with the obligation that the party return it upon expiration of a deadline or completion of the use for which it was loaned.

There is a certain case in which a loan does not have an expiration date or the way in which it will be used is unspecified. Those are the conditions under which the legal terms of a loan become ambiguous.

The second case of squatting involves people who use something owned by another person without signing any contract and without the owner's approval. That has created a problem because there are: a) people who rented their houses but gave no receipts and now want their houses returned to charge a higher rent; b) people who employed someone to live in and care for their house; c) people who left someone living in their house to care for it and upon returning discovered that the person had left a third person in charge; d) people who sold their house without a deed and then left the country but later returned and want to undo the sale to speculate with prices; e) people who abandoned the country and their

house, which is now being usurped; f) people who received 50 percent of the payments for the property but now refuse to accept the remaining 50 percent because the property value has changed.

Every day we see authorities implementing a recovery action, forcefully evicting families who are supposedly living in a house illegally.

The people are alarmed at the avalanche of forceful evictions that have followed dispossession proceedings and notes signed by a notary public with the weakest party, in this case the person being sued, bearing the burden of proof.

Panama

Foreign Affairs Commission Head Comments on Serrano Asylum

PA1506180793 Panama City Circuito RPC Television in Spanish 2300 GMT 14 Jun 93

[Text] Legislator Olimpo Saez, president of the Legislative Assembly's Foreign Relations Committee, said today that the Panamanian Government should correct its position regarding deposed Guatemalan President Jorge Serrano.

[Begin recording] [Saez] It must hurt the Guatemalans to see how we in Panama are calling Mr. Serrano a political refugee of Guatemala while they are trying to do justice based on their knowledge of the case. I think the government has failed. I said right from the beginning they were making a mistake.

[Unidentified reporter] How can this be corrected? Is it possible?

[Saez] We have only two possibilities to correct it. The first is not to label Mr. Serrano's asylum status. The second is if the Guatemalan Government demonstrates that Mr. Serrano is charged with a crime in accordance with Guatemalan law and they ask for his extradition, Panama should reach an agreement with them on the matter based on the provisions of international agreements that regulate such cases. That would be in keeping with our complaints about other countries that have not granted such requests from our Attorney General's Office. We must be wise and act properly in dealing with this case in order to comply with the Betancourt Doctrine, which the government made its own, and to be consistent with statements we have made about self-inflicted coups, such as in the Peruvian case. We must not hurt the Guatemalan people's democratic feelings. [end recording]

Government Approves New U.S. Ambassador

PA1506191693 Panama City ACAN in Spanish 1815 GMT 15 Jun 93

[Excerpt] Panama City, 15 Jun (ACAN-EFE)—Foreign Minister Julio Linares announced on 15 June that the Panamanian Government approved the proposed appointment of William Walker as the new U.S. ambassador to this country.

The Panamanian official said before appearing before a legislative committee that he has already informed the U.S. Government of Walker's acceptance and signed the approval request on 14 June. [passage omitted]

Argentina

Government Wants Condor-2 Issue on Clinton-Menem Agenda

PY1606032893 Buenos Aires TELAM in Spanish 1705 GMT 15 Jun 93

[Text] Buenos Aires, 15 Jun (TELAM)—Foreign Minister Guido Di Tella today confirmed that the Argentine Government wants "to include the post-Condor issue," as he described everything related to the recycling of the Falda del Carmen [facilities]," on the agenda that President Carlos Menem and President Bill Clinton will discuss during their first encounter. Di Tella said: "We have raised this issue from the very outset."

Asked by Radio del Plata if the alleged existence of Condor-2 missile parts that have not been recycled yet would be a reason for Menem's clarification for his U.S. counterpart, the foreign minister stressed: "There are technical points on what there is, what is missing, and what is not missing, but the project has been terminated."

Di Tella noted: "Nevertheless, with all the things that may be assumed we may still have, that we do not have, and that we have no idea who may have, a Condor-2 missile cannot be manufactured."

Concerning the existence of resistance by the Air Force in supplying information on the missile or in supplying all the parts for its dismantling, Di Tella noted: "In the Air Force, as in many other segments of society, there are many opinions."

In this regard, Di Tella noted that some viewpoints "are based on a historic opinion that the Condor was a good project and there is another opinion that the Condor was a very bad project from the very outset, a very counterproductive project for the Air Force, our country, and Argentine space technology advancement."

Reminded of the fact that [Horacio] Jaunarena, a former defense minister during the UCR [Radical Civic Union] administration, had criticized the dismantling of "Condor-2" and had said that, with that technology, we Argentines "would have joined the First World," Di Tella said: "Jaunarena should refrain from saying things he knows are not true."

The foreign minister added: "He (Jaunarena) knows perfectly well it was a political operation in which the UCR promoted the Condor project. Jaunarena knows perfectly well that this project was ill-fated for our country, the Air Force, and our national security."

Di Tella, who left this afternoon for Vienna to participate in an international human rights meeting, plans to meet Richard Feinberg, the U.S. Security Council Latin American area chief, and Phillip McLean, a U.S. State Department official, in Washington between 21 and 22 June in order to arrange the details for the 29 June Menem-Clinton encounter.

According to the media, the meeting among Di Tella, Feinberg, and McLean was initially scheduled for Buenos Aires, but it was finally decided to hold it in Washington.

Brazil

Agriculture Minister Faces Murder Charges

PY1506195193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 15 Jun 93

[Report from Planalto Palace in Brasilia by Alexandre Garcia]

[Text] The PMDB [Brazilian Democratic Movement Party] is surprised at the fact that the minister [of Agriculture Nuri Andrauss] will have to stand trial for murder. When proposed for the ministry, Andrauss did not mention this fact during his meeting with the party's executive board.

During this morning's talks, the minister defended himself but made it clear that this would not be an obstacle for his removal.

It has been noted within the PMDB that the situation of the minister is very difficult. The party does not want to dig into the merits of the case, does not want to judge the case, but believes that the political slant within this case will make it very difficult for Andrauss to run the Agriculture Ministry, a very important ministry. Because of all this the minister's situation is becoming impractical.

At 1600 [1900 GMT] this afternoon Senator Jose Fogaca, the PMDB president, and Senator Pedro Simon, the government leader in the Senate who is also a member of the PMDB, will discuss the case with President Itamar Franco. They will ask the president for an immediate answer.

But, as the president has already said, it is the party that supports the minister, therefore, the minister has one foot outside the ministry.

Resigns After Murder Allegations

PY1506231593 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Jun 93

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Excerpt] Agriculture Minister Nuri Andrauss tendered his resignation here at Planalto Palace late this afternoon.

PMDB [Brazilian Democratic Movement Party] leaders met the agriculture minister this morning. There was a slight possibility of Nuri Andrauss remaining in the government, but the situation became untenable this afternoon and PMDB President Jose Fogaca himself asked Nuri Andrauss to tender his resignation.

Minister Andrauss, who was installed as agriculture minister on 5 June, exactly 10 days ago, is leaving the government following charges made by this week's VEJA magazine. The magazine charged him with committing several crimes: killing a rancher in Goias State in 1975, misappropriation of land by using forged deeds, involvement in fraudulent bids during his tenure as Federal District government agriculture secretary, and evading taxes for about 200 billion cruzeiros at the Federal District government's collectible debt registry. [passage omitted]

Franco Names New Minister

PY1606013493 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 15 Jun 93

[Excerpt] [Passage omitted] Late this afternoon, PMDB [Brazilian Democratic Movement Party] President Senator Jose Fogaca proposed to President Itamar Franco, on behalf of his party, the name of Sao Paulo Agriculture Secretary Jose Antonio de Barros Munoz as the new agriculture minister. The president agreed to his designation.

Two weeks ago De Barros Munoz already had been proposed to be designated agriculture minister. He was not appointed because Sao Paulo Governor Luis Antonio Fleury Filho said he could not give up his agriculture secretary and suggested another alternative.

Today, the governor, who did not participate in the negotiations, ended up yielding to the designation of his agriculture secretary.

PT President Lula's Changes in Policy Viewed

PY1406234093 Rio de Janeiro O GLOBO in Portuguese 13 Jun 93 p 4

[Excerpt] Brasilia—In light of the surge of radical factions within the PT [Workers Party], its president, Luis Inacio da Silva, alias Lula, has begun to change his policy. While Lula openly admits that he would rather not have his party follow extreme left positions, he seems to be aware that the grassroots want a harder line of action which would preclude any compromise with Itamar Franco's administration.

During the opening speech at the Eighth National Meeting in Brasilia, Lula practically ruled out an alliance with the PSDB [Brazilian Social Democracy Party] because [Finance Minister] Fernando Henrique Cardoso is part of the government. Lula's tough language startled even some radical leaders—among them Vladimir Palmeira, PT bloc leader in the Chamber of Deputies and representative of the so-called independents.

Palmeira said: On that issue, he was even more radical than I, because I believe an agreement could be worked out with the PSDB. Palmeira's proposal was passed on the first vote.

Lula, who is sure to be re-elected today as president of the party, knows that he will have to include some of the issues sought by the radicals in his moderate line. The request to return to the grassroots is already proof of Lula's change.

Now it is the turn of the moderates to sneak away to a corner so that others do not see them crying. Their failure in the issue of the leading proposal ("In Support of a Leftist Proposal"), in which some radical factions gained the upper hand, was just an indication of the rift that is splitting the PT. Milton Temer and Jose Genoino, from the moderate faction, found it hard to expound their proposals at the plenary meeting in front of the radicals. The fact is that if the moderates lose ground in the election of the party's executive board, their power within the party will be in jeopardy. [passage omitted]

Lula Re-elected; To Run for President

PY1506203793 Rio de Janeiro O GLOBO in Portuguese 14 Jun 93 p 3

[Article by Marcelo de Moraes]

[Text] Brasilia—Re-elected by acclamation on 13 June in Brasilia as president of the PT [Workers Party], Luis Inacio Lula da Silva closed the Eighth National Meeting of the party by chastising the members. He stressed that the party came out of the meeting strengthened, but demanded that everyone be noble and generous among themselves. He warned the national board that was elected on 13 June: Those who do not participate in meetings will be accused before the grass roots by the party national executive.

"Ethics exist for us to practice them. They are not just for other people. We need to be more generous and improve our level of coexistence. During this meeting I have observed some fellow members making ugly faces or not listening to what others were saying. There is no room for that kind of deportment in a party that wants to rebuild the country," he stressed.

Leftist radical groups obtained a majority for the first time in the party's history during the election of the executive board and the national board. The ticket called A Leftist Option [Uma Opcao de Esquerda] received 189 votes and thus obtained one of the 21 seats on the executive board and 30 of the 82 seats on the national board. Lula's faction together with the moderates obtained 152 votes, that is, five seats on the executive board and 24 on the national board. The other seats on the executive board were obtained by the radical faction called PT In The Fight [Na Luta PT], with four seats, the moderates of the Radical Democracy [Democracia Radical] faction with two, the president of the party (Lula) has one, the Senate leader (Senator Eduardo Suplicy) has one, and the Chamber of Deputies leader (Vladimir Palmeira) has one.

After fruitlessly trying to maintain the suspense for a week and after threatening not to be a candidate for

re-election, Lula ended up being the only candidate. Acclaimed, Lula stated that the meeting was not "the fierce fight many people were expecting."

During the closure of the meeting, Lula did not forget to defend former Minister Luiza Erundina, who was suspended by the party because she became a member of Itamar Franco's government against the wishes of the party leadership. The executive board re-instated her on 11 June.

"Many people were foaming at the mouth when she was re-instated. For a long time the PT has implemented a policy of anger and intolerance. For a party like ours, it was the only decision we could make. She was stabbed in the back with promises of paradise. The PT made the great gesture of extending a hand of friendship to her," Lula said.

Finally, he made a strong call for the presidential campaign.

"The war that will be unleashed against the PT has not yet started. They have already tried to destroy us and are already seeking alternatives to run against us. They can try all over the country, but no one will prevent us from winning the elections," the PT president said.

Finance Minister Holds News Conference

PY1506205093 Rio de Janeiro TVE Television in Portuguese 1936 GMT 14 Jun 93

[News conference by Finance and Economy Minister Fernando Henrique Cardoso at the Finance Ministry auditorium in Brasilia—live]

[Excerpts] [Cardoso] Good afternoon. I want to take advantage of this opportunity to repeat some of the arguments I presented during the cabinet meeting this afternoon justifying the guidelines that will be implemented in our economic policy. I want to begin by saying that the situation of the Brazilian economy is quite positive. It is a situation that brings us hope, not based simply on projections but on facts.

With a lot of difficulties, our economy managed to actively participate in the process of the international division of labor. It is an economy that has passed through a great opening process toward the rest of the world. In the past three or four years, import tariffs have dropped considerably. From a closed economy in the past with an average import tax of 40 percent, we have passed to an average import tax not greater than 17 percent, and soon it will drop to 14 percent. As an example this can be compared with the case of Chile—which currently is considered one of the most open economies in Latin America—where the average import tax is 11 percent.

Our difference from Chile is that the Brazilian economy is industrialized and it managed to face the challenges of the world without reducing its productive and exporting capability. It is true that we have lived through years of recession. And those years of recession have disorganized internal production, increased unemployment. But it is also true that despite this situation, the export sector managed to react and, hopefully, this year exports will amount to $40 billion. Sixty percent of our exports are industrialized products. Therefore, this is an economy that has reacted to the difficulties.

Our economy generates the equivalent of $450 billion per year, which is what economists call the gross domestic product [GDP]. And we export $40 billion. The indicators show that during the first half of the year growth will be greater than 3 percent of the GDP, which means that we are beginning to overcome the recession, which is something good. The government is very interested in resuming economic growth and development in order to create jobs for the population and to feed them. That is our concrete concern, and the finance minister is a politician, a man who knows the situation well and is basically with the Itamar Franco administration, which has commitments to the Brazilian people, not in demagogic terms but in terms of effective employment and nourishment programs, which is something very important and is very difficult without economic growth.

Therefore, I was installed in the Finance Ministry at a moment when there are optimistic signals in the economy's private sector. Brazilian society is a society that already has found its way. During the Itamar Franco administration we have done that which was very difficult to imagine could be done. Deputy Roberto Freire, government leader in the Chamber of Deputies, is here with us. He himself attended and conducted several important discussions in the lower house. We managed to amend the Constitution to begin a fiscal reform. That was not easy to do, but it was done. It is not enough, but it is a beginning.

Then there was the discussion over the port issue, which is currently an approved law that has allowed great progress. This was attained through negotiations, without affecting any productive sector, be it businessmen or workers. The Chamber of Deputies also approved the patents rights law, which still must be approved by the Senate. Therefore, there is a strong movement in Brazilian society to assume a certain attitude, orientation, that goes beyond the decision of the government; it is the decision of the country.

But the finance minister and his team have come to office at a moment when it has become quite clear that despite these positive indicators we have some difficulties, which are expressed by a fever called inflation. Inflation represents a scourge for the people because it disorganizes production, it disorganizes the public sector, it concentrates income, and it corrodes salaries. Therefore, inflation is not a situation we can coexist with without reacting.

In the past people believed all we needed was to grow. We know now that growth without controlling inflation

is a growth that ends up harming people by corroding salaries. Therefore, whoever has social concerns, whoever wants to create jobs and bring stability to the people, workers, and the middle class, whoever wants to create the conditions for businessmen to act, also is concerned with inflation. Therefore, that is our position.

I will not discuss the reasons for inflation. It is not my field, and the country does not want to know about reasons but it wants to know about the medicine or solutions. Right now we do not have alternatives. We must again place the government on the track so that the state may evolve from a situation of fiscal imbalance to a situation of fiscal balance. Why? Because, to speak the truth, if we were not in a situation in which the people clearly understand that the government is doing its part, it will be said that no one will pay taxes or interest rates will not drop, or simply that it is the government's fault. It will not be so. The government will do its part. It already has started doing so.

This beginning demands determination, firmness, and energy. The finance minister has this energy, but he also is deeply convinced that it would be a mistake to think that only one person will be able to do something. No. The government will do something. President Itamar Franco is totally engaged in this effort, and the political force comes from the president of the Republic. I need the solidarity of the rest of the cabinet. I asked for the solidarity of the rest of the cabinet. And I got it this afternoon. And the president was very firm in saying that the Finance Ministry's words represented the determination of the government. And I felt the cabinet's support.

What do I need this support for? I need it so that it can be understood that we need a diet—a budget diet that will allow the country to clearly understand that the resources the government has available are not enough and that, therefore, we must not only spend less but spend better. It is not simply a matter of not spending and continuing the recession. We must spend better to allow the productive sectors to work and to allow the country to feel there is a clear government objective. This is how it is going to be. That is how I want it to be. We have defined it so.

We have defined that our limit in facing our obligations in a balanced manner is $6 billion. Let me explain this to the country. No one cuts expenses because he wants to. No one wants to simply suspend construction works. No one wants to suspend assistance to the rest of the people. Expenses will be cut in order to let the government implement more vigorous action in a short time in favor of economic growth and the Brazilian people.

This also must be clearly explained. The current budget gives the government very little elbowroom. Why? Because most of the revenues obtained from taxes, from the taxes paid by the people, are allocated to objectives that cannot be changed: Salaries—given job security, no public employee can be fired, and beside, salaries, which are low anyway, cannot be reduced; interests on loans—one cannot suspend their payment and fall into default; and constitutional transfers, which are resources collected by the federal government and transferred by order of the Constitution to states and municipalities. What is left then? The only thing left is a small allocation that has become increasingly smaller through the years, and is used for new investments and to pay the administrative apparatus' costs. Unfortunately, we must cut expenses from this remaining allocation, which amounts to $6 billion and which represents the great effort we will make.

How will we make it? Normally in Brazil the finance minister, who keeps the keys to the Treasury, simply cannot execute what is stated in the budget. In the Finance Ministry office there traditionally is a long line of people who come to ask for things. They are not just simple people. They represent other government agencies, governors, mayors, companies, or banks. Why is this so? Because there is a great centralization of decision. And when in reality the effort is made by only one ministry, the other ministries tell the Finance Ministry they want to execute the programs envisioned in the national budget and ask for the money.

We will change this with the support of the president and all the ministers. This effort to reprogram the budget, which already is being made and will be ready for next weekend, is an effort that will be made based on the figure defined by the Planning and Finance Ministries and will be executed with the responsibility and cooperation of all the ministers.

The finance minister alone cannot decide whether to build a bridge, a hospital, a public prison, or anything else. Each minister must decide this in keeping with the priorities defined by the president of the Republic. Each minister must adjust his expenses and goals to the funds available and defined by the finance minister. It will not be a mechanism of authoritarian concentration of power, but it will be a mechanism that the finance minister—who beside keeping the keys to the Treasury—will be using the whole time as a warning signal not to allow any variation from what was determined by the president.

This negotiation will be transferred to and carried out jointly with Congress. I am sure the national Congress will meet the demands of this important moment full of possibilities. The Brazilian people really want to overcome this chronic crisis, this endless inflation. Congress will give support not to a minister but to the country, to the voters. The voters will demand that their representatives cut expenses because they know that although he may sometimes cut their own flesh, he is making necessary cuts. There is no other way out.

There will be no political expense cuts. The finance minister is not here to favor either A, B, or C. For example, the Welfare Ministry cannot say cuts will be made in Congress and not in the administration. Expenses must be cut proportionally in everything

defined in the budget. We are not cutting expenses for their own sake. We are reorganizing, rationalizing, disciplining with responsibility. We will no longer coexist with a fiscal system that is not credible.

Thanks to inflation, the budget in Brazil has become a science fiction subject. Government sends to Congress, without knowing very much, a set exchange rate bill to Congress. Congress modifies it within the same conditions. When you come to verify what has been proposed with what was executed, what was executed always remains below what was proposed. And in order to forget the subject, time is allowed to go by, allowing inflation to corrode everything. Government officials then do not assume the responsibility of stopping things and simply say yes to everything, and then they let time transform ideals into reality. We will change this. We will speak frankly. We will demonstrate this through figures. We will discuss this with the nation, through Congress, through the media. And I will always speak like I am speaking now, without minding to give explanations. But we also want things to be placed on the correct track. We must not spend what we do not have.

We are going to do our share to pull out of this huge whirlwind, this carousel in which we are trapped, in which one complains about the other, everyone complains about everyone, in which the high inflation rate is attributed to this or that reason. For this we are going to strictly monitor expenditures; we already have started rescheduling the public debt service. We now are suffering the consequences of bonds negotiated at high interest rates with the purpose of curbing inflation. This was the only method used to curb inflation in the past. We are going to lessen the burden in the future by lowering the inflation rate, not only in terms of goodwill but in terms that are credible, in terms that prove that the state, the government, really is doing something to stop being a debtor.

I want to tell the states and municipal districts that the Brazilian Government can no longer be regarded merely as the federal government. States and municipal districts together collect 45 percent of the revenues. Currently, states and municipal districts owe the central government approximately $40 billion. I have requested and received the understanding of the governors on the need to establish a more adequate relationship between the states and the central government. A country that does not honor its debts cannot present itself before the world as a country that has settled its accounts. We need clear rules that will force debtors to honor their commitments. The federal government does not intend to execute those who cannot pay. We will not do that. That will not be our policy. We want to rescue the people's credibility. We are going to ask the governors, as I already have done so, to help us. I hope the Chamber of Deputies will approve—this month, if possible—the draft bill on the rescheduling of the public debt it currently is discussing. This will give us a concrete foothold to normalize these relationships. Between September 1991 and December 1992 alone the central government failed to receive $2 billion. The central government needs this money. But this is not enough. We also are going to establish a smooth relationship between the Central Bank and the federal and state banks. Most state banks already have settled their accounts, and those that still have not done so will have to. The same goes for federal banks because we cannot treat federal and state banks differently. From the economic viewpoint it also is not correct to treat a private bank and a state bank differently. We are going to have to make some adjustments in this field, always taking the prevailing situation into account, but we must make some adjustments. The president of the Republic has given us his express support on the subject.

We must focus our attention on many other problems, but we believe that first we must put the house in order and this is what we are doing.

If we put the house in order we will have a better negotiating position, domestically and abroad. I am not deeply worried right now about the foreign debt negotiations for several reasons. It is being carried out correctly; we are about to close a deal with the private banks. The Brazilian debt with private banks amounts to nearly $40 billion, which is the same amount, that is, $40 billion, as the internal debt of states to the federal government. In a country whose gross domestic product amounts to $450 billion, this debt is not worrisome.

There also has been a stabilizing element in the foreign debt negotiations—the Senate's participation. The Senate adopted resolutions and our negotiators negotiated the foreign debt according to those resolutions, with the limits established by the Senate. Since then the government has changed and ministers have changed, but the norm has been maintained. This is very important. This indicates a promising cooperation between the executive and legislative branches. As a senator I had the satisfaction of participating in the initial and final drafting of the foreign debt resolution.

We want to permanently hold talks with the financial committees of the Senate and lower house, giving them explanations, information, asking for their support, and verifying that they comply with their promises—just like we now are demanding that we now need a new kind of relationship between the federal government and the states. The federal government also must pay the states what it owes them.

Brazil must get out of a system of connivance with the debt and step into a system of responsibility because the debt was made in the name of the people, and those who pay for it are the people. The debt is being paid with the money that comes from everyone's pockets. It comes from the worker, from the middle class man, and from the businessman. We cannot continue renegotiating our debt and deceiving the people by telling them that the situation is good. It is not. And given that it is not good, the government is adopting a determination, a decided determination to change our kind of relationship.

It is less important to know whether the debt increases or decreases by 1 percent, or to know the inflation rate—although the smaller the better—than to observe this new attitude. Changing Brazil is in our hands because society already has changed. Society's attitude is different. Now public men must assume their responsibility before the country and act firmly, clearly, and with serenity.

Since the beginning I said there would be no economic shock, no dollarization of the economy, no price controls, or anything else. In the past few days I was constantly asked by the media and the country what will happen. Well, nothing will happen. But this nothing means everything. This is a plan of truth. It is not a plan, it is a process. No one changes Brazil with a decree. No one can change Brazil in a single day. Change must become a permanent attitude. This is what I will demand from everyone and from myself. And you may also demand this from me.

I am not going to promise illusions. Never in my life have I traded with illusions. I never thought of promising anything in exchange for votes because I had them by the millions in my state of Sao Paulo, and I thank those who voted for me. I never assumed a different position. I never promised something in which I did not believe. Today I am not promising something that is not possible because no one can create miracles in this area. We cannot shoot the problem in the heart and solve it because there is no specific target. We will not use magic. There are no magic solutions. The magic formula we will use is work, efficiency, decency, and the cleaning up of our house, that is, the government. We will begin by cleaning up the government. This we will do. It is a very important change, a change of attitudes. But after we change our attitudes, we still must say more.

We not only need the cooperation of Congress—Congress will cooperate, you can be sure of that. I will explain, talk, meet with ministers, political leaders. I said in this hall when I was installed that I was a minister of Brazil, and therefore I would not think only about my party, even though I am loyal to my party, the PSDB [Brazilian Social Democracy Party]. I would never behave in a sectarian way because this is a national concern. I will build up my relations with Congress through dialogue. The same thing with governors. But we must demand a share of responsibility from other sectors as well.

We must implement a more energetic policy against tax evaders. The Internal Revenue Service must prosecute those involved in tax evasion.

Then we have the justice system, lawmen. We know the law must be respected, fulfilled. There are hundreds of tax evasion cases in court. We need courts to rule on these cases quicker.

I also spoke about an appeal. I will renew this appeal here. There is certain resistance to paying some taxes on different pretexts. Congress changed the social purpose tax and created the Cofins [social security contributions] because there was an impression that the social purpose tax was not constitutional. But various companies preferred to deposit their contributions in special accounts and discuss the issue in court. I will not discuss whether the law is unconstitutional because the problem must be resolved by the courts. But I want a decision, a quick decision. The courts have all that is necessary to make their decision.

Regarding the matter of habeas corpus, we need to liberate the resources frozen in court accounts. The amounts in question are close to perhaps $10 billion, I repeat, $10 billion. Meanwhile, hospitals must close for lack of funds, there is a threat of strikes by health workers, and we cannot fully pay pensions. We are bogged down in this pathetic war, knowing many old people live on pensions and many sick people cannot be cared for in hospitals. We must look after old people and the sick. Those who owe us must pay. I know courts will decide. But independently, I appeal to the conscience of businessmen, particularly in large companies that have the resources to hire lawyers and sue the federal government. We ask them to trust the country, drop their legal actions, pay, and help us overcome this difficult situation in which all of us live, in which Brazil's public sector struggles.

The public sector is responsible for the poor, those who live in misery, those without protection. They are the ones who need the money. No one can use the pretext that the government will not use the money properly. I already have said that the government does not have money to spend anywhere, or to spend on anything for that matter. Our budget is very tight and we are tightening our belts even more. We know what this means. We know that sometimes it is unfair, but we will do it. The government wants to show and prove that it can take care of people's interests.

Regarding the issue of tax evasion, revenue has increased in real terms but this does not solve the problem, it does not help, because our spending increases faster than revenue increases. Spending on what? On salaries and interests. The federal payroll will grow 30 percent in real terms this year because past administrations kept the lid on public salaries. These increases are a new burden for the Treasury even without solving the public servants' situation. The increase is too little for public servants but too much for the public Treasury. Interest rates also have grown. We are paying interest rates contracted in the past, and they are high. These are our main financial problems.

This does not mean we will be idle. The much discussed fiscal reform Congress has begun to discuss must include a constitutional reform. The Finance Ministry will present to the government, which in turn will present it to Congress, a proposal setting guidelines on this matter. We will not omit mentioning the need for a constitutional reform on this or any other pertinent subject. We will always seek dialogue. This is our role; the role of the executive is to talk with Congress. I respect congressional

decisions but I will maintain a dialogue with Congress. We will present proposals on fiscal reform and tax collections. Obviously though, these changes will only take effect in 1994.

We will begin to prepare the 1994 budget now, in 1993, without illusions of inflation, which only helps to create a formal document that cannot be implemented. We prefer a real budget, with disbursements at adequate moments. It is better if the finance minister can disburse what he promised, even if it is not enough, than to talk about large amounts that will never be disbursed because inflation has eaten it away.

This is a new attitude. Brazil needs new attitudes. We will fight the tax evasion mentality. We will optimize the privatization process. The federal government has promised money it does not have—limiting its chances to look after people's needs—to support state productive areas. The iron and steel industry alone has consumed $12 billion in state revenues during the past 10 years. There was a cleanup in 1987 but most state iron and steel companies took on debts again by 1988.

During the past 10 years—from 1982 to 1992—the government spent $21 billion and received nothing in return on the enterprises that were on the Privatization Committee's list of companies to be privatized. That is why these enterprises are being sold, because they only drain the resources earned by the people, that is, by businessmen, workers, and the middle class. These resources are being wasted on enterprises that many times are unable to streamline their economies because they are subject to guidelines not in keeping with private enterprise. Many times they were compelled to offer more job opportunities, grant higher salaries, and, many times, protect private sectors of the economy by selling their products at prices below market prices, thus making them unable to serve private interests.

For this reason we will continue with the privatization process. We will expand it. During the constitutional amendment process, Congress will determine the limit of this expansion. We are going to broaden the privatization process and, what is more, we also are going to modify certain rules. To protect the people's patrimony we plan, whenever possible, not to sell the preferential shares of any enterprise—as Mexico did—until it has benefited from its partial privatization. The sale, later on, of the shares at a better value will represent more income. Other aspects of the privatization process are technical issues that still are being studied, including the use of bad currency [ma moeda] or the so- called social currency. There is no point in referring to an issue that still is not quite clear, at least, to me. Guidelines but no definite decisions have been made regarding these issues being discussed by the Privatization Committee.

In sum, I believe the measures we have implemented and the change of attitude will help us overcome the temporary difficulties and take the great leap Brazil is prepared to make.

During my time as foreign minister I travelled a lot and met political and financial authorities from many countries. I visited the EC, Argentina, Chile, Mexico, the United States, and Japan. And in almost every country, if not every country, I sensed trust in Brazil. But people also wondered why we did not streamline our public finances like Chile and Mexico, each one in their own style. Brazil has a large population that is unemployed, a poor population that cannot be left unemployed. Recession must not and will not be the cost of this adjustment. But the adjustment will be made. Therefore, I am fully aware that we can make the great leap and I, in my capacity as finance minister, am here to summon Brazil to make this leap with confidence, hope, and faith that it will be successful, that it must be successful. It is all a matter of work, responsibility, and political support. The president and Congress have expressed their support. I hope we will have the support of Congress but, above all, I hope we will have the support of the people who are listening and watching us. I hope they will personally feel that the time has come for Brazil to assume its commitment to its people, with a future that starts today, that has already started with a change of attitude and great determination. Thank you very much. Now I will take questions.

[Regina Farias of FOLHA DE SAO PAULO] I would like to know if you believe your plan—the plan you announced today—can lower our inflation rate, or will you need to implement additional measures? And in what period of time? My second question is: How will you administer the pressure within the government, or from governors and legislators, when cutting the budget, particularly among states and municipalities, which we know are very harsh?

[Cardoso] Regarding your question on the economic plan and periods of time, I think I said very clearly that our attitudes must change. This is not just another plan. Brazil has many plans. If we put four or five experts in a room we will soon have yet another plan. This is a process. I am not implementing a plan. I am taking measures and I will continue to implement measures. It is a process to adjust the economy. The speed at which this process is implemented does not depend on me but on its absorption by society, the economic agents, and other government agents. Inflation will drop gradually along with the effects of these measures. Inflation will drop if the rules are clear and excessive expenditures are contained.

Other measures? Only God knows. I do not know when this process will end. Like all processes, this is open-ended. I am convinced that with the measures we are implementing, and will implement day after day, we will clearly see inflation dropping. I am not going to give you figures or a time frame because it will only become another illusion and you will come back in another week or month to ask: How come what you said did not occur? And even if it occurred, at the end of it I would have to establish another term, another goal. I think Brazil can

no longer live suffocated by terms. We have the conviction that we are doing what we must do.

Regarding pressure: Pressure is the enjoyment of life. Without pressure, politics or politicians would not have a reason to exist. We are here to face pressure. We will face it, administer it, and implement solutions. So far the pressure is not unbearable. On the contrary, pressure has decreased because the population supports our measures. Besides, there is a lot of understanding. I went to the Senate and the Chamber of Deputies and talked with legislators. I will continue talking with legislators. Of course we will face pressure. I have talked with governors—I talked with many of them, even today. There is a general feeling that everyone must support a change because everyone is feeling the pinch. Everyone knows that it is time for change. Then I do not fear any pressure. We are here to face it.

[Sergio Leao of O GLOBO] I would like to commend you for the seriousness and honesty with which you and your team carried out this process, but I have some doubts. I would like to hear a few specific details, a few figures, about the issue of cuts. I would like to know, for instance, if your figures include cuts for Brasilia's subway, which the PSDB considers unnecessary spending. And after these cuts, how big will the federal budget deficit be? And how will you finance that deficit? Regarding the banks, I would like you to explain this white collar law that will be imposed on bank managers who financed their state's debts. Will this law be retroactive? Will it affect banks that knew about the problem but financed their sponsors nevertheless? Finally, you said that the Treasury and the Central Bank will not transfer funds to the state banks. I would like to know if this means that the 8.5 billion [currency not given] is not available to reopen the Paraibank or the [word indistinct] Bank.

[Cardoso] Let me begin with your last question, the question about the banks. I told the bank governors: Any aspect regarding the banks depends on the negotiation to reschedule state debts. Why? Because these banks, these three banks, are in principle only a dream. I am not violating any rules. In order to clean up state financial situations each state must be responsible for its own debt.

Now, if we did not have a rule between the federal government and the states to maintain the Treasury's financial stability, it would be easy for the states to contract debts and then expect the Treasury to pay them. The states can open these banks with their own resources and without rescheduling their debts. But these banks are closed, which prevents the federal government from intervening.

Regarding the question of cuts. I will give you more details, including the issue of the Brasilia subway. I have said before and I will repeat here that it is not the responsibility of the finance minister to say what to do or what not to do. If the government wants to cut resources assigned to any project, that is fine; he can do it. The minister is not put here to judge any particular project. His job is to safeguard the public interest through the balance of accounts and the defense of the currency. That is all. I will not enter into a discussion with the transport minister, or any other official, on what works he will be able to implement in his area. The only thing he will discuss with me is how much money he has available to do anything in his area. What he does in his department is his problem. Otherwise, we will once again have a superminister saying stop that, we do not have the resources to assure anything, or I want to cause a good impression on the president, or we must support a minister, which leads to disobeying the president. I do not want that. I want more than that.

I want ministers to be aware of what they face because there will be no money left after the cuts. They will not gain anything by asking the Treasury to help them because the Treasury will not open its coffers. The Treasury will only release what it has, nothing more.

Regarding the question of how we arrived at those figures, we use some hypotheses on additional spending and revenues. When we granted the salary increase, I said we needed an additional $2 billion. When we adjusted public workers' salaries, I said the adjustment would cost us another $2 billion. Well, when we did our calculations we concluded that to maintain a balanced budget we needed to cut at least $6 billion. Why not more? I already have given the reasons. Because we are cutting sections of the budget that already have suffered several cuts and we cannot wipe out entire agencies. Neither do we want to do what was done in the past. We do not want to introduce cuts that only mean postponing spending. Under present conditions one will not benefit by not paying certain services that you must pay, thinking the government will pay. One cannot do that anymore. One must keep the machine operating. We do not want to make suicidal cuts, but harsh cuts, heavy cuts. This is our policy.

It also means that we asked Congress to allow us to financially reschedule the budget. We do not want to have a budget that will allow an official to spend funds that we do not have just because a specific program is included in it. This mechanism only means future government spending, and we do not want that. We want to cut spending and to do that we will need to reschedule it, according to calculations that were discussed with ministers. The $6 billion cut is enough and will still allow the machine to operate.

[Leao] Then we will not have any deficit. Is that what you are saying?

[Cardoso] We should not have any deficit. I cannot say it for certain because it is a process. It depends on the minister and the political action taken to avoid any primary deficit, of course. We will talk about the operational deficit later.

Regarding the white collar law. It is a law. I am a senator and the law must be respected. It is not the minister who must enforce laws. The Central Bank is more than

authorized to ask the attorney general to begin an inquiry if any violation of that law occurs under my administration. This has been decided. The attorney general must act on his own, not the minister, on cases that occurred in the past. With the matter that concerns me, I gave the order to prosecute.

[Leao] Do I say then that the government will not pay old debts, that there will not be any federal money for the reopening of banks?

[Cardoso] Resources already were released but they have been frozen. I will discuss with governors the minimum amount they need, within what already has been released. We will not release any additional funds for any banks. [passage omitted]

[Helioval Dias of JORNAL DE BRASILIA] By briefly reviewing the program you have distributed it is quite obvious who is the great loser in the plan to fight inflation. As far as I can make out, the states and municipal districts are the great losers in the economic adjustment to fight inflation. First, I would like you to give figures reflecting the drain of resources you mentioned, the debts of the states and municipal districts—well, we know this debt amounts to $40 billion—and the rest. Can you say in figures what these drained resources amount to? I also would like to know if you are concerned about the economic repercussion, especially in the employment field, in the states and municipal districts. Also, what sources were you referring to when you talked about the Bank of Brazil's rural credit?

[Cardoso] Very well. First, I do not believe the states and municipal districts are the losers by any means. Even taking into account the $2 billion they failed to pay the central government between September 1991 and December 1992, their tax revenue has grown considerably. The state and municipal districts' tax revenue shows a significant increase, a real increase. Therefore, in this sense the states and municipal districts are not losers. Neither are we talking about figures that do not adjust to their tax revenue. We are discussing this subject because the government does not want to paralyze the states and municipal districts, quite the contrary. What the government wants is to streamline its relationship with the states and municipal districts and, after checking their situation, see to it that they can resume their payments. But we also are counting on their economic growth that, in turn, will increase their revenue just as the ICMS [merchandise and services distribution tax] in some states and municipal districts has increased. But by no means do we wish to penalize the states and municipal districts because it would mean suicide, and we do not want this.

You forgot to say that once this policy has been implemented interests rates will drop and so will the banks' profit. I don't think anybody can implement a stabilization policy, or at least attempt to straighten matters out, without making a sacrifice. This sacrifice cannot be made by the public sector alone, but neither can it be made only by the private productive sectors that are the source of new job opportunities and services that are the sources of job opportunities. Therefore, I do not believe we can apply the U.S. theory [words indistinct] where one wins and the other looses. We can enjoy a situation in which everyone benefits because if you can really streamline public finances and attain growth, everyone will benefit. There is none of that nonsense that one wins and the other loses. We are all going to win with this process and the government will always watch the employment level, as I have just mentioned.

[Dias] Could you quantify those resources that were drained?

[Cardoso] For a start let us specify what drained resources are. I believe some of them [words indistinct]. I have some figures here... [Dias interrupts Cardoso]

[Dias] [words indistinct]

[Cardoso] I have some figures here. I said they are not really drained resources. A debt is not a drained resource. You talk about drained resources when you fail to pay your debt and at the same time waste money. An example of wasting money is when you finance an enterprise that should no longer be financed. It is difficult to spell that out in figures. I ca?not give you a fictitious figure. All I can tell you is—the Central Bank can give you more information on this subject—that money is wasted in the attempt to rescue banks. Why do they have to be rescued? Because they were forced to become indebted. All I can tell you is that many times the government, the Treasury, invests money to help enterprises facing economic difficulties. One could say that this is because of a lack of coordination of a government that is highly indebted. We have the case of high utility rates that affected the peoples' pockets that was used to grant a salary increase to very limited sectors; this is another case of drained resources. Speaking symbolically, one could talk about drained resources and dry faucets. Tax evaders, people who fail to pay their taxes, are what I regard as dry faucets, and then there are drained resources but it is very difficult to spell it out in figures. I reiterate that the problem, rather than being a problem of giving numbers, is a problem that must end. This problem will end one day and that will be it.

[Dias] What about the resources for farming credits?

[Cardoso] We are discussing the farming credits subject with the Bank of Brazil and the agriculture minister. We will announce the rules for the farming credits by 16 July. There are possibilities—which we are discussing and the Bank of Brazil president knows more about this than I—to use resources from the pension funds, which may serve to finance certain kinds of farming credits. However, even if this possibility does not go into practice, and considering certain crops produced by small farmers on a small scale—whose production we are interested in maintaining—only in these cases, there

traditionally are enough resources for these crops. We have funds with which to finance agriculture and that is what we will do.

[(Monica Izagui) from JORNAL DE SAO PAULO] From what I have understood so far, when you are speaking of cutting costs you really are speaking of reallocating expenses, that is, you do not intend to cut or universally reduce expenses but intend to take funds away from some items to use them for others.

[Cardoso] No, that is not so. If it were only that, there would be no problem. We will really cut expenses.

[(Izagui)] All right, but will the funds that will not be spent be used in paying personnel, health, and social security?

[Cardoso] No, not at all. You did not understand well. There are bad items in the budget. We cannot spend more than what we collect, than what is available. And anything that costs beyond our means will be cut. There is no other way around it.

[(Izagui)] Won't those resources be reallocated? Because we previously heard from your aides that ...

[Cardoso] But there are not enough funds. We will cut expenses for which there are no resources. I told you that. And whatever funds are available must be well spent. Otherwise we will contract more debts, and we do not want that.

[(Izagui)] When you say that your expectation is not to have a primary deficit, are you counting or not on the approval of the regulation of the IPMF [provisional tax on financial operations]?

[Cardoso] Yes. I count on the approval of the IPMF regulations. It is essential. If the IPMF is not regulated we will have to increase the budget cuts by $3.6 billion or we must contract a similar debt. We cannot do that. We need the approval of the IPMF.

[(Izagui)] I would like you to comment more on a small item from a larger one about cutting expenses. What about the draft bill establishing the responsibilities of the federal government, the states, and municipalities regarding expenses? How will this be?

[Cardoso] It will be a complementary law. What really happened is the following: The Constitution changed the tax collection system in Brazil and increased the relative share of states and municipalities. I voted in favor of that bill. I was not against it. However, now we must clearly establish what are the expenses of the federal government, the municipalities, and the states.

There is no case for making voluntary transfers of funds from the federal government, which is in a very tight position, to pay for expenses and projects that are the typical responsibility of states and municipalities. Therefore, we will send Congress a complementary draft bill regulating this. We must establish a division of priorities, otherwise the share of the states and municipalities will increase—which was something fair—while that of the federal government will diminish, and then the little resources that are available will be basically used in municipal and state works.

[(Izagui)) Let me return to the first question. From what we learned so far, the expenses for social security and health were underestimated. Now you are saying that no funds will be transferred to these fields. How will this problem be solved then?

[Cardoso] According to the Constitution, social security expenses really belong to the Treasury. There is an argument about what percentage it should amount to, but they really belong to the Treasury. In a certain manner in this field, the Treasury has the final responsibility for this. We will discuss, and I already held meetings with Ministers Brito and Haddad [social welfare and health ministers, respectively], how we will distribute the funds collected by the social security system.

Let us suppose that it would be more convenient for the Treasury that the funds collected by the social security system in a certain month be used to pay for health expenses. I do not see anything wrong with this. Then, in another month, the Treasury will be the one to pay for health expenses, until the social security system can eventually pay for them. We cannot change these allocations or expenses. I think we are making a tempest in a teacup out of this subject. We must see the reality in this. The real situation is that those expenses must be paid for as established by the Constitution and like they have always been paid for. Therefore, the Treasury will be the one in a tight situation.

[Izagui] Thank you minister. [passage omitted]

[(Ivo Ali Montoge) from FOLHA DE SAO PAULO] You said the economy has grown 3 percent of the GDP during the first half of the year. I would like to know how you will reconcile this economic growth with your economic plan, which envisions budget cuts, that is, the federal government, states, and municipalities will have to make adjustments. How will you solve this?

[Cardoso] I think that is a peculiarity of the Brazilian situation. Today in Government House I watched a film about the New Deal [preceding two words in English]. I noticed that the U.S. depression demanded a new attitude from the government, which resorted to [words indistinct], that is, several forms of public investment to guarantee jobs. Why? Because the private economic sector was in a crisis, in a depression, but the government had funds.

The case here is the opposite. The only thing that is similar is that the government is taking action. Growth here is being fueled by the private sector. We will maintain the conditions to allow the private sector to continue promoting growth. Only the public debt is hindering our economic growth. We will create the

conditions to reduce this debt. Therefore, we will promote economic growth. I do not intend to repress private investment. I want to discipline public expenses. Now, you may refer to public expenses that represent some forms of investments. These kinds of investments are few, so they really have no effect on growth.

[(Ali Montoge)] About the privatization policy, the former minister, that is, his team attributed his downfall to opposition by public company employees who did not agree with the privatization program. From what I understand from the document distributed here, you are expanding the privatization program and even placing the companies that will be privatized under the Finance Ministry's control. The first question is: How will you solve this political problem?

The second question is: The former economic team predicted an income of $14 billion from the privatization program. I would like to know if this figure will be maintained.

I also would like you to give me a general analysis of the budget situation because you have just said that you need the Cofins funds for the national Treasury. Therefore, funds will be raised through the Cofins, the privatization process, and increased tax collections. Last month tax collections amounted to approximately 185 trillion cruzeiros, which is much higher than expected. That is, revenues in real terms are being maintained. I also would like you to explain how you intend to administer this money. How will the money raised through the privatization process be spent?

[Cardoso] I will begin with the privatization issue. As far as I know, the companies that already have been privatized have reduced their debt approximately $5.5 billion. However, in cash they raised very little money; they raised $100 million. Look well, $5.5 billion compared with $100 million. This does not mean it was not important; the debt was reduced anyway. However, part of that debt was middle-term or long-term debt. Therefore, the relief for the Treasury was very little. Besides, it will take a long time to collect the $100 million. We would need the president to pass a provisional measure today to allow the transfer of funds to the Treasury. Therefore, we cannot consider that the $14 billion will relieve the Treasury. It will relieve our total debt, which is good for reestablishing public credit. But it does not solve our cash problems, which depend on other issues.

It is true that tax collections have increased, and we are very happy with that. But it is also true that our expenses also increased. As I said before, we are paying high interest rates and the payroll has increased. Therefore, higher tax collections simply helped to not make things worse. This does not mean we are in an optimistic situation from the point of view of cash.

[(Ali Montoge)] The former economic team intended to use the money raised through privatizations to recover internal debt notes. Will you continue this policy?

[Cardoso] Yes; we will maintain it besides the social, science, and technology programs. Those funds will be for that. We will create a fund to allow this.

[(Ali Montoge)] Thank you. [passage omitted]

State Companies Ignore Austerity Plan

PY1506171793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jun 93 Economy and Finance Section p 5

[Article by Marcio de Morais and Aldo Renato Soares]

[Text] Brasilia—State companies are increasing their employees' salaries and benefits, in full disregard for the austerity policies announced by the federal government—including the most recent by Finance Minister Fernando Henrique Cardoso. Reports released by Telebras [Brazilian Telecommunications, Inc.] and ECT [Postal and Telegraph Company] show that compensation for the losses resulting from the Bresser and Summer Plans, for instance, represents a substantial increase in state companies salaries this year.

The Union of Federal District Telephone Workers (Sinttel-DF), Telebras has already acknowledged that it will pay its 70,000 employees approximately 19 trillion cruzeiros through a private initiative in the implementation of the these two plans. The ECT is doing the same, but did not report the amount involved.

According to studies prepared by some of those companies and handed to the Federal Administration Secretariat (SAF), the benefits added to salaries in state companies can only be compared to those paid by great multinational corporations. The SAF found that indirect benefits and perquisites represent up to four additional salaries per year, while the private sector pays only one; the 13th salary.

Petrobras [Brazilian Petroleum Corporation] pays an additional 30 percent of salary for hardship to all employees, even those who work in carpeted and air conditioned offices. Since those employees who work in dangerous places criticized the universal paymrent of the benefit, they have been receiving two additional salaries for hardship; some 60 percent of their basic salary.

Most state companies also pay an annuity and a vacation bonus which is equivalent to another salary. Petrobras and Telebras pay half of the 13th salary in February.

The SAF has stated that very few state enterprises handed in the report demanded by President Itamar Franco for inclusion in Decree 753 of 16 February, and those that were handed in were incomplete. Telebras President Adyr da Silva has admitted that the decision by Telebras and the ECT to anticipate the payment of the Bresser and Verao Plans ahead of a ruling by the courts was made by the enterprises themselves.

"As courts favor employees, we decided to pay what is already owed," Da Silva said. This decision will guarantee between 200 and 300 million cruzeiros this year for each Telebras employee.

Technicians indicate that the Planning Ministry would like to disseminate every two months a report on the investment budget of state enterprises but has not been able to do so because the enterprises do not submit the pertinent information. Enterprises such as Itaipu Binational [Hydroelectric Plant], the Sao Paulo Iron and Steel Company (Cosipa), Furnas Electric Power Plants, Inc., the Bank of Amazonia, the Caraiba Mining Company, Dataprev [Social Security Data processing Enterprise, Lloyds [Brazilian State Shipping Company], and Docas do Rio de Janeiro do not submit details. Therefore, nothing happens.

Sest [Special Secretariat for State Enterprises]

Ministry advisers have said that this unruliness began with the demise of the Sest, which had the complete history of the state enterprises. The truth is that they were never under control because they function as corporations. "Even when resolutions limiting salary advantages were issued one after the other, the enterprises never heeded the majority shareholder, which is the government," a former adviser said. Current information shows that Telebras gives most benefits to its employees, including a salary increase of up to 27 percent in real terms. There is the suspicion that the enterprise is reorganizing its system to finance salary increases.

Measures Under Study

Points from the FHC [Fernando Henrique Cardoso] Plan that have been confirmed or that are under study.

Measure: Expenditure Cuts/Fiscal Readjustment.
Effect: A $20 billion cut in the revenue of all ministries, including the Regional Integration and Social Action Ministries that pass on funds to states and municipalities. Requests by congressmen are under study. A reduction in the printing of money. Health and education programs can be transferred to states and municipalities. The parts of the Itamar Plan that do not have guaranteed funds in the budget will be eliminated.

Measure: Expenditure Control.
Effect: The creation of a system to control the expenditure of the government and state enterprises like that used in Ceara State. Increased budget control. Measure: Exchange Rate Catch
Effect: The dollar will become an indexing indicator in contracts, replacing inflation rate indexes; New public bonds will be corrected in accordance with exchange rate variations. This could help to reduce inflation because it will increase the guarantee margin of investors and help access to foreign resources because enterprises will have greater respite in seeking loans abroad.

Measure: Accounts in Foreign Currencies.
Effect: This will encourage savings accounts within the country.

Measure: The Removal of Zeros.
Effect: The creation of the new cruzeiro. This will increase the value of the monetary unit. It will simplify commercial and accounting operations.

Measure: The Reduction of Interest Rates.
Effect: This will encourage investments in the productive sector, reduce the government's expenditure in the rescheduling of the internal debt, and encourage consumerism.

Measure: Reduction of Outlay for Salaries.
Effect: This will help to reduce payroll outlays, encourage the opening of jobs, and allow for better salaries.

Measure: The Rescheduling of the State Banks Debts.
Effect: This will extend deadlines for the payment of $43 billion, but negotiations will be more inflexible. The Piaui, Alagoas, and Rio Grande do Norte State Banks will remain closed as an example.

Measure: The Fight Against Tax Evasion.
Effect: If all taxes were paid, tax revenue would increase from $48 billion to $176 billion, more than enough to bring public accounts into alignment. The tax office has a list of 800,000 tax evaders in its sights. Lists will be published in newspapers. There is talk of implementing prison sentences as punishment.

Measure: To Accelerate Privatizations.
Effect: To accelerate the program, but with revisions. The government can retain a minority share holding which it can sell later at better prices. The sale of the government's minority partnership in more than 1,000 enterprises is a priority. Federal debts with the FGTS [Severance Pay Fund] and with the FCVS [Compensation Fund for Salary Variations] could be paid with bonds that will be accepted in auctions.

Measure: To Ensure Growth.
Effect: Agriculture and housing will be encouraged, highways will be refurbished, and an adequate level of food supplies will be ensured for the sectors defined in the Itamar Plan.

Measure: Group Chambers.
Effect: The government will maintain these with the participation of the Federal Tax Office (which has always been rejected by enterprises). There will be less generosity in reducing taxes.

Measure: Support Campaign.
Effect: The government understands that the country can resolve its problems if society makes a political decision in this respect.

Chile

Source Claims Berrios in Hands of Israeli Secret Service

PY1506193993 Madrid EFE in Spanish 1735 GMT 15 Jun 93

[Text] Santiago, Chile, 15 Jun (EFE)—According to a high-ranking member of the Uruguayan Army Information Service, quoted today by the Chilean press, Eugenio Berrios, the former Chilean secret police agent who disappeared seven months ago in Uruguay, is in the hands of the Israeli secret service (Mossad).

The high-ranking source explained that the Israeli secret service is interested in the Chilean chemical weapons expert because it "wishes to know the formula for sarin gas." Sarin is a lethal gas used in the Iran-Iraq war (1980-1988), and it is suspected that Berrios participated in its production.

The new theory about the disappearance of the former Chilean agent was published today in the Chilean newspaper LA EPOCA, whose special correspondent in Montevideo interviewed the high-ranking Uruguayan secret service source, who requested that he not be identified.

Berrios worked for the National Intelligence Directorate (DINA), the secret police of the military regime that governed Chile from 1974 to 1990, at the disposal of which he placed the "sarin" gas.

This gas produces an intoxication which causes a heart attack, although it later dissolves in the organism leaving no trace. According to several human rights organizations the DINA used the gas to eliminate opponents of the Chilean military regime.

The Uruguayan officer explained to LA EPOCA that the Israelis wanted to know how the gas was sold to the Iraqi regime—one of Israel's worse enemies—and particularly "to learn what the gas consists of so as to be able to neutralize it."

The Uruguayan officer stated that when Berrios disappeared "unusual" movements by Mossad and the CIA were detected in Montevideo.

He added that Berrios was sought by the CIA because of his involvement in the killing of former Chilean foreign minister Orlando Letelier, perpetrated in Washington in 1976, "but Mossad beat them to it."

According to the same source the Uruguayan Defense Information Service also suspects that a few days before his disappearance Berrios had expressed his wish to return to Chile, where he is being sought by the courts because of several human rights violation cases.

The Uruguayan officer stated that after a telephone conversation with his wife, Gladys Schneisser, Berrios had decided to come out from hiding in Uruguay and return to Chile; but that he was prevented by his Chilean and Uruguayan custodians.

The former Chilean agent was last sighted on 15 November 1992 at a Canelones police station in Uruguay. At the time he stated that he had just escaped from his kidnappers, to whom he was again returned by the Canelones police chief.

This was kept secret until the beginning of June, when a group of Uruguayan legsilators received an anonymous letter informing them about the incident, which has caused a scandal in Uruguay, Chile, and Argentina, which country it is believed Berrios illegally crossed to enter into Uruguayan territory.

Moreover, it was confirmed in Santiago today that Judge Adolfo Banados, who was specially appointed to the "Letelier case," has not issued a special order to allow a Chilean police team to travel to Uruguay to investigate Berrios' whereabouts.

Through a brief communique the Chilean Foreign Ministry has reported that Carlos Portales, Chilean Foreign Ministry foreign policy department director, traveled to Uruguay today to "continue closely cooperating with the Uruguayan Government on the issue surrounding the Eugenio Berrios case."

Portales traveled to Uruguay in the company of Rodrigo Asenjo, Chilean Interior Ministry legal advisor. It is expected that during his stay in Montevideo he will meet with Foreign Minister Sergio Abreu or some other high-ranking Uruguayan Government official.

Colombia

Prosecutor General Issues Memorandum to Armed Forces

PA1406181593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 12 Jun 93

[Text] The prosecutor general has issued a memorandum to the military forces asking them to function within the law and to stop carrying out irregular operations, raids, and arrests.

According to the Prosecutor General's Office, in some regions of the country several Judicial Police units use cars without license plates and go around hooded and not wearing their uniforms.

Attorney General Comments on Terrorism Book

PA1506213693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 14 Jun 93

[Text] The Attorney General's Office on 14 June explained the truths and lies in a book *State Terrorism* [Terrorismo de Estado], published in Europe and containing serious accusations against some members of the

Armed Forces. Attorney General Carlos Gustavo Arrieta sent a letter to the defense and foreign ministers stating the following:

Out of 247 Army officers described in the book as human rights violators, 91 of have been involved in 100 cases investigated by the Attorney General's Office. Of those 100 cases, 26 were sentenced, 38 dossiers were shelved for lack of evidence, and 16 were acquitted. Investigations continue in the other 20 cases.

Regarding the National Police, out of the 102 officers mentioned in the book, 46 have been formally investigated. Fifteen were sentenced, seven were dismissed, five cases were shelved, and four more cases were acquitted. Investigations continue on one case involving eight policemen. [figures as heard]

The attorney general also pointed out that many of the cases mentioned in the book have not been reported to his office. He added that if the groups that published the book knew about the cases and did not report them, then they too have contributed to the impunity they claim to reject.

Jorge Luis Ochoa Sentenced to 8 Years in Prison

PA1606032593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Jun 93

[Text] The first sentence handed down against one of the Medellin Cartel's kingpins was announced on 15 June. A faceless judge read the sentence against Jorge Luis Ochoa Vasquez, the oldest of the brothers of the so-called Ochoa clan. Jorge Luis Ochoa Vasquez will have to serve eight and a half years in prison. The ruling was disclosed on 15 June in Medellin. Ochoa had made a plea bargain with the attorney general, which allowed him to reduce his sentence from 20 years to the term announced on 15 June. The elder of the Ochoa brothers will have to pay a fine equivalent to 100 minimum wages and cede La Clara Ranch, located in Codasi Municipality in Cesar, to the Attorney General's office. The property is worth 2 billion pesos.

Jorge Luis Ochoa is considered to one of the main drug traffickers of Medellin. He surrendered to law officials on 15 January 1991. Since that time, he has been in a cell at the Itagui Municipal Prison with his brothers Juan David and Fabio Ochoa Vasquez. Jorge Luis Ochoa confessed to crimes of drug trafficking, illegal enrichment, and illegal association. Ochoa has already served two years and four months and has six more years to serve. He can still get further reductions of his sentence for studies and work.

Before this trial, the chieftain of the Ochoa clan had been arrested in Madrid in 1985 when he was captured with Gilberto Rordriguez; in Cartagena in 1986, where he served 20 months in prison for smuggling fighting bulls; and was incarcerated in Modelo Prison in Santa Fe de Bogota, where he was transferred after being arrested near Cali driving a luxury Porsche automobile. The negotiation process with the other Ochoa Vasquez brothers is still pending.

Navarro Wolff Launches Presidential Bid

PA1506225293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Jun 93

[Telephone interview with Antonio Navarro Wolff in Corozal, Sucre Department, by Yolanda Ruiz in Santa Fe de Bogota—live]

[Text] [Ruiz] Antonio Navarro Wolff, presidential candidate of the 19 April Movement Democratic Alliance [AD/M19], is officially launching his candidacy on 15 June in Corozal, Sucre Department.

Good afternoon, we want to ask a very direct question. Many Colombians believed in the AD/M-19 when it openly entered the political arena. They now think the AD/M-19 is playing the same old game of the traditional parties. We are asking you to give us three of your specific proposals so the people can again believe in the AD/M- 19.

[Navarro] Good afternoon. We have just signed in the Corozal Notary Public's Office a commitment that includes those priority issues the people of this town want to have addressed in a government platform. This commitment was signed at a Public Notary's Office and lists the people's priorities. It is an essential part of the development plan that was made, as the Constitution orders, starting at the territorial level. The people defined these commitments and, therefore, they are binding because they were signed before a notary public.

Venezuela

Interim President Swears in New Cabinet

PA1506164993 Caracas Venezolana de Television Network in Spanish 1550 GMT 15 Jun 93

[Report by Cecilia Pachano from Miraflores Palace]

[Text] A few minutes ago President Ramon J. Velasquez swore in the 11 [as heard] new members of his cabinet. We will now read the names of the new members of the executive branch: Gustavo Perez Mijares is the development minister. Elizabeth Caldera is the education minister. (Leonardo Anselmi) was named acting health and social welfare minister. Luis Horacio Vivas Penas is the labor minister. Jose Domingo Santander is the transportation and communications minister. Fermin Marmol Leon is the justice minister. Adalberto Gabaldon is the environment minister. Henry Jatar is the urban development minister. Hernan Anzola is the coordination and planning minister. Roberto Arreaza is the acting Guayana Venezuelan Corporation minister. Roxana Ordonez is the chief of the Central Information Office.

The government team has thus been restructured with these new cabinet members. The only appointments pending are those of the new attorney general, which is expected to be announced a few hours from now, and the new governor. It is also worth noting that (Francisco Lairise) will be in charge of the Venezuelan Guayana Corporation; he will take office 15 to 30 days from now as was reported at Miraflores Palace.

The top military command, which must take office next week, has not been appointed yet. The new defense minister will be appointed on 25 June. Also pending are the appointments of the consultative councils on social, economic, and security matters.

New Members Listed

PA1506160193 Paris AFP in Spanish 1424 GMT 15 Jun 93

[Text] Caracas, 15 Jun (AFP)—According to an official announcement made in Caracas, interim President Ramon J. Velasquez will swear in the officials who will complete his new cabinet on 15 June.

In the first days of his term, which will last until February, 1994 when suspended President Carlos Andres Perez' term expires, Velasquez began to choose a cabinet made up of well-known experts who are not members of the majority Democratic Action (AD), a social democratic party, or the Social Christian Party (Copei), a Christian democratic party.

This cabinet "of consensus" and the exercise of special powers for a maximum of 90 days to approve economic laws, particularly tax laws, are the main points in the difficult task facing Velasquez and his transition government. The new cabinet will be as follows:

Ministry	
Secretariat of the Presidency	[no name as received]
Interior Relations	Carlos Delgado Chapellin
Finance	Carlos Rafael Silva
Agriculture and Livestock	Hiram Gaviria
Decentralization	Allan Brewer Carias (new ministry)
Foreign Relations	Fernando Ochoa Antich (confirmed in post)
Energy and Mines	Alirio Parra (confirmed)
Family	Teresa Albanez (confirmed)
Education	Elizabeth Caldera
Urban Development	Henry Jatar Senior
Coordination and Planning	Hernan Anzola
Environment	Adalberto Gabaldon
Labor	Horacio Vivas
Development	Gustavo Perez Mijares
Transportation & Communications	Jose Domingo Santander
Justice	Fermin Marmol Leon
Information-Central Information Office	Rosana Ordonez

Velasquez still must appoint or confirm the heads of other ministerial level organizations.

Legislative sources said Congress will begin debating the law that will determine Velasquez' special powers on 15 June in an effort to get it passed in the following two days.

Once the law is promulgated, the acting president will be able to approve by decree a tax on the assets of businessmen and the value-added tax, modify the housing policy and mortgage laws, and even privatize other state-owned enterprises. Among the enterprises that could be privatized are some of the basic enterprises of the Guayana Venezuelan Corporation (CVG, iron, steel, and aluminum), now that the post of Guayana Development minister, held by Leopoldo Sucre Figarella, a firm opponent of this initiative who already resigned citing health reasons, was eliminated from the cabinet. AD and Copei lawmakers named Velasquez by consensus to replace then acting President Octavio Lepage following Perez' suspension so he could be tried for allegedly misappropriating and embezzling public funds.

With his cabinet, and with or without special powers, Velasquez has barely eight months to shape his economic plans within the neoliberal program implemented by Perez in 1989. Velasquez' intention to stress social aspects will encounter difficulties owing to the $5 billion fiscal deficit over a $15 million budget [figures as received], interest rates over 80 percent, a heavy public payroll (1.2 million employees), and a drop in foreign investments in the wake of the two military coup attempts last year. Complicating the situation even further are an annual inflation rate of approximately 40 percent and the constant devaluation of the bolivar.

Ministers Comment on Decentralization Process

PA1506180593 Caracas Venezolana de Television Network in Spanish 2350 GMT 14 Jun 93

[Text] New Decentralization Minister Allan Brewer Carias has pointed out that a lack of political willingness has been the main obstacle in the decentralization process. Allan Brewer Carias voiced his opinion at the Foundation for Community and Municipal Development offices, where a seminar called Decentralization and Municipalities will be held for two days.

The minister added that this is an opportune moment, inasmuch as the city mayors and governors are starting their terms of office.

[Begin Brewer Carias recording] What we must do now is accelerate the process that is under way. In the first place, we must make an effective transfer of resources; we have already discussed this regarding public health.

Many states have already requested transfers and the agreements are about to be signed. We must expedite those transfers.

In the second place, we must promote the unity of the governors in negotiating with the central government. Now that the national policy of decentralization has been announced and a minister has been assigned to that task, we must make joint efforts with the governors to accelerate the process. [end recording]

Family Minister Teresa Albanez Barnola said the main obstacles to the decentralization process have been transferring resources and discharging the staff, in addition to the political and governmental aspects.

[Begin Albanez Barnola recording] Naturally, an administration such as ours is unable at this time to discharge all of the personnel now working in those offices. In the specific case of [words indistinct], we have the 1993 umbrella law that provides some resources that we hope will be approved very soon as they will allow us to begin this process of retiring and discharging these employees. [end recording]

Decentralization Minister Allan Brewer Carias announced that the governors will meet this week with President Ramon Jose Velasquez. They will probably agree on specific proposals.

Paciano Padron on Relations With Peru, Colombia

PA1606035893 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Jun 93

[Text] During a meeting with Paciano Padron, the president of the Chamber of Deputies Foreign Policy Commission, President Ramon J. Velazquez expressed his will to reestablish diplomatic relations with Peru. Paciano Padron stated that Velasquez was very receptive to the issue and told him that he saw no impediment to talking with President Alberto Fujimori on common problems among Andean countries. Reporters asked Paciano Padron about the border dispute between Venezuela and Colombia. The Social Christian Party deputy agreed with the president in stating that it is an issue the next government will have to deal with.

[Begin Padron recording] Although I do not agree with signing any kind of agreement, I do believe we must continue to work on the matter so that we can reach a definitive decision—within a year's time when Venezuela and Colombia have a new president—to sit down and sign an agreement that is fair for both sides and end a controversy that has gone on for far too long. [end recording]

Tariff Elimination Agreement Signed With Chile

PA1606040693 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Jun 93

[Report by Zayda Pereira]

[Text] Starting on 1 July, Venezuela will open commercial relations with Chile based on a preferential tariff system, as it has done with Colombia and Ecuador. The tariffs will gradually be eliminated over a six-year term.

The import tariffs for cars and spare parts production sector will be totally eliminated in Chile beginning 1 July. This was accomplished through the signing of a complementary agreement to expand economic cooperation between both nations.

There will be also complementary agreements between both countries in the area of agro-industry, because tropical products would be exported directly to Chile, and temperate climate produce would be directly imported from Chile. Aurelio Concheso, president of the Venezuelan-Chilean Commerce and Industry Chamber, noted the importance of following the plan backed by the two governments.

[Begin Concheso recording] We believe it is the responsibility of businessmen to be the players in this process, because governments have done what governments should do; that is, establish a framework under which we can operate. Now it is up to us to take advantage of that framework to increase trade between the two countries. [end recording]

In addition, Sergio Arancibia, Chilean Embassy commercial attache, stressed that the basic issue should be open our doors to nontraditional products to begin new negotiations.

[Begin Arancibia recording] The idea is not to increase the volume of the products that are currently traded between the two countries but to open trade to nontraditional products for both economies. I think that this is the great perspective and possibility of the agreement that was just signed between Chile and Venezuela. [end recording]

A forum will be held on Friday, 18 June, at the Venezuelan Federation of Associations and Chambers of Commerce and Industry office in order to inform the public on the extent of the agreement signed by Venezuela and Chile. This will allow officials to expand on the details and benefits of this agreement for Venezuela.